



**MANAGEMENT'S DISCUSSION & ANALYSIS**

Form 51-102F1

For the year ended December 31, 2018

**City View Green Holdings Inc.**  
**(Formerly Icon Exploration Inc.)**  
**Management's Discussion and Analysis (Form 51-102F1)**  
**For the year ended December 31, 2018**

***Introduction***

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The Management Discussion's and Analysis ("MD&A), prepared as of April 22, 2019, summarize the activities of City View Green Holdings Inc (Formerly Icon Exploration Inc.) ("the Company) for the year ended December 31, 2018 and should be read in conjunction with the audited financial statements for the years ended December 31, 2018 and 2017. The financial statements and the related notes thereto, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts included in this MD&A are stated in Canadian dollars unless otherwise indicated.

City View Green Holdings Inc (Formerly Icon Exploration Inc.) common shares were traded on the TSX Nex Exchange. On February 28, 2019, the Company delisted on the TSX Nex Exchange and moved over to the Canadian Securities Exchange "(CSE)" under the symbol "CVGR" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed through the Internet at [www.sedar.com](http://www.sedar.com).

***Corporate Information***

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City View Green Holdings Inc. (Formerly Icon Exploration Inc.) was incorporated pursuant to the Canada Business Corporations Act on February 5, 2008 and was continued in BC under the Business Corporations Act (British Columbia) on February 18, 2011.

On February 27, 2019, the Company closed an arm's length business combination with 2590672 Ontario Inc. As a result of the transaction, 2590672 Ontario Inc's shareholders control the Company and the transaction is considered a reverse take-over ("RTO"). On the closing of the transaction, the Company changes its name to "City View Green Holdings Inc."

The Company's registered and records office is located at 157 Adelaide Street West, Suite 320, Toronto, Ontario M5H 4E7.

***Corporate Developments***

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During 2017 and 2018, the Company re-focused its operations and reorganized its operations. The Company reviewed several options and whilst it had the opportunity to return to its roots as a mineral exploration company, the Board of Directors have decided otherwise. The mining business is very highly speculative in nature requiring intensive capital and given current market conditions, the Board of Directors is steering the Company to a business that is significantly less risky and one that can produce revenue in the near term. The Company is currently pursuing a business in the "medical marijuana" space as a result of the reverse take-over transaction as described below.

## ***Selected Annual Information***

	December 31 2018 \$	December 31 2017 \$	December 31 2016 \$
Net loss	(959,700)	(310,475)	(163,688)
Basic loss per share	(0.04)	(0.02)	(0.01)
Total assets	241,315	316,091	5,764
Dividends	Nil	Nil	Nil

## ***Results of Operations – Year ended December 31, 2018 and 2017***

Summarized below is a breakdown of the expenses incurred:

	Year ended December 31		
	2018	2017	
Administration	151,000	101,500	1
Project evaluation costs	19,964	67,446	2
Legal and audit	152,927	65,906	3
Advisory fee	9,500	31,300	
Filing and transfer fees	16,438	21,280	
Stock based compensation	544,300	17,423	4
Office and general	40,713	13,423	
Interest on shareholders' loan	-	6,848	
Rent expense	22,400	-	
Bank charges	260	310	
Foreign exchange loss	2,198	(1,767)	
Gain on settlement		(13,194)	
Total	959,700	310,475	

1. Expenses increased due to increased activity in the Company which includes arrangements towards capital and share for debt financing, search for a prospective property acquisition and preparation for the reverse takeover transaction including filing statements.

2. The Company expensed all costs relating to evaluation of assets.

3. Legal and audit fee increased is associated with services in relation to the proposed RTO transaction and filing statements. In addition, there were additional costs related to review of financial statements by the Company's auditors in connection with the filing statements.

4. On January 9, 2018, the Company granted 1,646,400 share purchase options to directors and officers valued at \$544,300 with an expiry date of 5 years from date of issuance.

In the prior comparative period, on February 21, 2017, the Company granted 313,924 share purchase options to directors and officers valued at \$17,423 with an expiry date of 10 years from the date of issuance.

## **Results of Operations – Three months ended December 31, 2018 and 2017**

Summarized below is a breakdown of the expenses incurred:

	Three months ended December		
	2018	2017	
Administration	30,000	47,500	1
Project evaluation costs	-	27,696	2
Legal and audit	53,557	23,798	3
Advisory fee	-	12,550	
Filing and transfer fees	-	9,060	
Office and general	28,433	5,128	
Rent expense	8,400	-	
Bank charges	38	61	
Foreign exchange loss	1,397	130	
Gain on settlement	-	(13,194)	
Total	121,825	112,729	

(refer to relevant notes as noted to above)

### **Summary of Selected Highlights for the last Eight Quarters**

Description	Dec 2018 Q4 - 2018 \$	Sept 30, 2018 Q3 - 2018 \$	Jun 30, 2018 Q2 - 2018 \$	Mar 31, 2018 Q1 - 2018 \$
Total assets	241,315	146,267	204,195	281,368
Working capital (deficit)	(23,292)	(59,668)	11,950	109,641
<b>Operations:</b>				
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(121,825)	(79,618)	(115,691)	(642,566)
Basic loss per share	(0.01)	(0.00)	(0.00)	(0.03)

Description	Dec 2017 Q4 - 2017 \$	Sept 30, 2017 Q3 - 2017 \$	Jun 30, 2017 Q2 - 2017 \$	Mar 31, 2017 Q1 - 2017 \$
Total assets	316,091	34,901	21,597	21,304
Working capital (deficit)	79,108	(140,323)	(353,381)	(588,065)
<b>Operations:</b>				
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(112,729)	(71,241)	(52,151)	(75,354)
Basic loss per share	(0.01)	(0.00)	(0.00)	(0.01)

## ***Financing Activities***

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On March 17, 2017 and April 24, 2017, the Company closed a private placement financing in two tranches in which it issued 1,616,000 units for gross proceeds of \$99,000. Each unit consisted of one common share and one-half warrant. Each whole warrant is exercisable at \$0.125 per share for a period of 12 months from the date of issuance. In conjunction with the closing, the agent received a cash commission of \$8,203 which equals 8% of the gross proceeds raised plus expenses and a total of 126,720 agent warrants valued at \$5,778 representing an amount equal to 8% of the units issued under the financing. Each agent warrant is exercisable into one common share of the Company at an exercise price of \$0.125 per share for a period of one year.

On August 3, 2017, the Company closed a third tranche of a private placement financing in which it has issued 800,000 units for gross proceeds of \$50,000. Each unit consisted of one common share and one-half warrant. Each whole warrant is exercisable at \$0.125 per share for a period of 12 months from the date of issuance. In conjunction with the closing, the agent received 64,000 agent warrants valued at \$3,852 representing an amount equal to 8% of the units issued under the financing. Each agent warrant is exercisable into one common share of the Company at an exercise price of \$0.125 per share for a period of one year.

On December 18, 2017, the Company closed a private placement financing in which it issued 4,066,000 units for gross proceeds of \$406,600. Each unit consists of one common share and one-half warrant. Each whole warrant is exercisable at \$0.1875 per share for a period of 12 months from the date of issuance. In conjunction with the closing, the Company paid a finder's fee of \$16,250 and issued 120,000 unit warrants valued \$35,432. Each unit warrant consisted of one share and one-half warrant. Each whole warrant is exercisable at \$0.1875 per share for a period of 12 months from the date of issuance.

On April 24, 2017, July 19, 2017 and August 3, 2017, the Company issued 6,385,998 common shares at a deemed price of \$0.0625 per share to directors and suppliers to settle debt aggregating \$399,125. The Company recognized a gain on settlement of debt of \$13,914 in 2017.

Between January 1, 2018 to December 31, 2018, 2,141,333 share purchase warrants were exercised at a price of \$0.125 to \$0.1875 per share for gross proceeds of \$313,000.

## ***Liquidity and Solvency***

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The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. 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 capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on private investors as its primary source of operating working capital.

As at December 31, 2018, the Company had cash of \$225,180 and a working capital deficiency of \$23,292. It does not have sufficient funds to pay overhead and administrative expenses for the next 12 months and the Company's survival as a going concern may be in doubt if no new funding is secured. The Company is in process of raising capital through private placements.

The Company has incurred losses since inception, and the long term survival of the Company depends on the ability of management to continue raising capital. While management has successfully raised the necessary capital to finance the Company's operations in the past, there is no assurance that it will continue to be able to do so in the future. The Company is focusing to be an operating company in the "medical marijuana" space with respect to the reverse take-over transaction with 2590672 Ontario Inc. on February 27, 2019.

## ***Reverse take-over transaction***

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On February 27, 2019 the Company entered into an arm's length business combination transaction (the "Transaction") with 2590672 Ontario Inc. ("City View Green" or "City View" or "CVG") through the purchase by the Company of 100% of the issued and outstanding common shares of City View (the "Acquisition"). On the date of the transaction, 2590672 Ontario Inc. had 18,824,389 common shares and 2,793,333 options outstanding. On closing the Company issued 159,595,113 common shares of the Company in exchange for the 18,824,389 shares refer to above on the basis of an exchange ratio of 8:1. The Company also granted 11,173,332 share purchase options in exchange for the 2,793,333 held in 2590672 Ontario Inc on an exchange ratio of 4:1 at exercise prices ranging from \$0.25 to \$0.75 per share for a period of 5 years from date of issuance.

## ***Off-Balance Sheet Arrangements***

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

## ***Related Party Transactions***

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Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. Transactions with related parties are recorded at the exchange amount, being the price agreed between the parties. The Company incurred charges to directors and officers or to companies associated with these individuals as follows:

	For the year ended December 31	
	2018	2017
	\$	\$
Administration/accounting	151,000	106,500
Stock-based compensation	544,300	17,423
Loan to 2590672 Ontario Inc.	-	25,000
	695,300	148,923

Related party liabilities included in trade and other payable are as follows:

As at December 31,	2018	2017
	\$	\$
Amounts due to management	-	40,000

## ***Outstanding Share Capital***

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On February 27, 2019, the Company consolidated its share capital and options outstanding on an exchange ratio of 4:5 (4 new for 5 old).

As at April 22, 2019, the Company's share capital was as follows:

Authorized: Unlimited common shares without par value

Securities	Number
Common shares issued and outstanding	26,446,473
Common shares issued on RTO transaction	150,595,113
Share purchase options	2,430,187
Share purchase option issued on RTO transaction	11,173,332
Fully diluted share capital	190,645,106

## ***Critical Accounting Policies and Estimates***

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The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements are made in particular with regard to the assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year, and the assumptions used in calculating the fair value of warrants and share-based payments.

## ***Risks and uncertainties***

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### **Credit risk**

The Company deposits cash with financial institutions it believes to be creditworthy. In some circumstances, cash balances at these financial institutions may exceed the federally guaranteed amount. The Company's current credit risk is primarily attributable to cash and accounts receivable. Cash is held with a reputable, Tier A Canadian chartered bank and accounts receivable consists of HST recoverable and as such, management believes the risk of loss to be minimal.

### **Liquidity risk**

The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing

As mentioned previously in this MD&A, as at December 31, 2018, the Company had a working capital deficiency of \$23,292 (December 31, 2017 working capital - \$79,108). The Company is also seeking additional capital to increase its liquidity over the short and medium to long term. All of the Company's accounts payable and accrual

liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company believes that its liquidity risk is minimal as management is confident of raising additional capital.

## **Market risk**

### **Currency risk**

The Company has no significant foreign currency denominated assets or liabilities. Major purchases are transacted in Canadian dollars and therefore the Company has no material foreign currency exposure at December 31, 2018.

### **Interest rate risk**

The Company's cash balance is placed in non bearing interest account and is therefore not subject to changes in interest rates.

### **Equity price risk**

Market risk arises from the possibility that changes in market prices will affect the value of financial instruments of the Company. Price risk related to the Company's financial instruments is remote.

## **Fair value**

The carrying amount of account receivable and accounts payable and accrued liabilities approximates their fair value because of their short-term maturities of these items.

## **CAUTIONARY NOTE**

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding estimates and/or assumptions in respect, of future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law. Also refer to the ***Risks and uncertainties*** section of this MD&A.