

**CITY VIEW GREEN HOLDINGS INC.**

(Formerly Icon Exploration Inc.)

**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –  
QUARTERLY HIGHLIGHTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2019**

## **Introduction**

The following interim Management's Discussion & Analysis ("Interim MD&A") of City View Green Holdings Inc., (formerly Icon Exploration Inc.) ("City View" or the "Company") for the three and nine months ended September 30, 2019 summarize the activities of City View for the three and nine months ended September 30, 2019 and should be read in conjunction with the audited financial statements for the year ended December 31, 2018 and period from incorporation (August 3, 2017) to December 31, 2017, together with the notes thereto, and unaudited condensed interim financial statements for the three and nine months ended September 30, 2019, together with the notes thereto

Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 29, 2019, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of City View's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

## **Caution Regarding Forward-Looking Statements**

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

**CITY VIEW GREEN HOLDINGS INC. (Formerly Icon Exploration Inc.)**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three and Nine Months ended September 30, 2019**  
**Dated November 29, 2019**

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
For twelve-month period ending September 30, 2020, the Company will be able to continue its business activities.	The Company has anticipated all material costs; the operating activities of the Company for the twelve-month period ending September 30, 2020, and the costs associated therewith, will be consistent with City View's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
Management's outlook regarding future trends.	Financing will be available for City View's operating activities.	Changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond City View's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause City View's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **Description of Business**

City View Green Holdings Inc. (formerly Icon Exploration Inc.) was incorporated pursuant to the Canada Business Corporations Act on February 5, 2008. The Company continued into British Columbia from the jurisdiction of Canada, under the BCBCA, on February 18, 2011. On February 27, 2019, the Company completed a reverse take-over business combination with 2590672 Ontario Inc wherein the Company acquired 100% of the issued and outstanding common shares of 2590672 Ontario Inc. and began trading on the Canadian Securities Exchange ("Exchange") under the symbol "CVGR".

As at September 30, 2019, the Company is an applicant for a Cannabis License with Health Canada with focus on extraction, edibles and distribution.

Upon issuance of the Health Canada licenses, the Company proposes to operate out of a 40,000 ft<sup>2</sup> facility in Brantford, Ontario which it has leased and intends to grow pharmaceutical grade cannabis to be sold in both the medical and recreational markets. The Company is currently advancing the design and retrofit of

**CITY VIEW GREEN HOLDINGS INC. (Formerly Icon Exploration Inc.)**  
**Interim Management’s Discussion & Analysis – Quarterly Highlights**  
**For the Three and Nine Months ended September 30, 2019**  
**Dated November 29, 2019**

---

the facility through experienced contractors with extensive knowledge of building construction in the Cannabis industry.

On November 12, 2019, the Company announced that it is amending its buildout and business strategy by putting the cultivation buildout and operations on hold until there is a strong business case to enter the cultivation market. City View’s focus will be on extraction, edibles and distribution. The Company continues to build out its facility with a focus on designated areas for extraction and edibles.

The Company submitted its Application to Health Canada in January 2018. Like any other applicant seeking to obtain a License at the time, it was subject to Health Canada’s stringent licensing requirements. The ACMPR process was replaced by an online system called CTLS in August 2018. The table below provides a general overview of the application process for becoming a licensed producer of cannabis for medical purposes under CTLS, as described by Health Canada:

Stage	Summary Overview
<p><b>Stage 1</b> <i>(City View has completed this stage)</i></p>	<p><b>Intake and Initial Screening</b></p> <p>When an application is received by Health Canada, it undergoes an assessment for completeness. Incomplete applications are returned to the applicant or Health Canada will contact the applicant for further information. If an application appears to be complete, it will be assigned an application number. The application number means that the application has completed the assessment.</p>
<p><b>Stage 2</b> <i>(City View has completed this stage)</i></p>	<p><b>High Level Review</b></p> <p>At this stage, the application is reviewed review at a high level. to complete the assessment of the application to ensure it meets the requirements of the Cannabis Regulations</p> <p>Once this review is complete Health Canada will issue a status update letter to the applicant indicating it has no concerns with what is proposed in the application. The applicant now has to build out a facility which meets the regulatory requirements.</p>
<p><b>Stage 3</b></p>	<p><b>Detailed Review and Issuance of License to Produce</b></p> <p>After the facility has been approved Health Canada will complete a detailed review of the application to establish that the issuance of the license is not likely to create risks to public health, safety or security, including the risk of cannabis being diverted to an illicit market or use, and establish that there are no other grounds for refusing the application. The application is reviewed to ensure the level of detail included in the application is sufficient to assess the requirements of the regulations and validate the information provided. Consideration is also given to the proposed security measures Physical security plans will be reviewed and assessed in detail at this stage.</p> <p>The applicant is responsible for ensuring that they are in compliance with all applicable provincial/territorial and municipal laws, including zoning restrictions, fire and electrical safety, and environmental legislation (e.g. waste management).</p> <p>During this stage, security clearance forms for key personnel (i.e., the proposed senior person in charge, responsible person in charge, alternate responsible person in charge, each officer and director of the corporation) are sent for</p>

**CITY VIEW GREEN HOLDINGS INC. (Formerly Icon Exploration Inc.)**  
**Interim Management's Discussion & Analysis – Quarterly Highlights**  
**For the Three and Nine Months ended September 30, 2019**  
**Dated November 29, 2019**

	<p>processing. Once Health Canada confirms that the requirements of the regulations have been met, and the application successfully completes the Detailed Review and Security Clearance stage, a license to produce will be issued.</p>
<b>Stage 4</b>	<p><b>Introductory Inspection (as cultivation begins)</b></p> <p>As part of the terms and conditions on their license, a licensed producer is required to notify Health Canada as cultivation begins. Once notified, Health Canada will schedule an initial inspection to verify that the licensed producer is meeting the requirements of the regulations including, but not limited to, the physical security requirements for the site, record-keeping practices and good production practices and to confirm that the activities being conducted by the licensed producer correspond to those indicated on their license.</p> <p>Before being authorized for the activity of sale, the licensed producer must undergo a Pre-Sale Inspection by Health Canada to verify that they are in full compliance with all regulations, with a focus on good production practices.</p>
<b>Stage 5</b>	<p><b>Pre-Sales Inspection (prior to issuance of sales license)</b></p> <p>If a licensed producer wishes to add the activity of sale to their existing license, an amendment application must be submitted to the Office of Medical Cannabis. Health Canada will then schedule an inspection to verify that the licensed producer is meeting the requirements of the regulations including, but not limited to, good production practices, packaging, labelling, shipping, and record keeping prior to allowing the sale or provision of product.</p>
<b>Stage 6</b>	<p><b>Issuance of License to Sell</b></p> <p>To complete the assessment of the requirements of the regulations and establish that adding the activity of sale of cannabis products is not likely to create a risk to public health, safety or security, and to confirm that there are no other grounds for refusing the amendment application, Health Canada reviews: (i) results of the pre-sale inspection; (ii) information submitted in the amendment application to add the activity of sale to the license; and (iii) any other relevant information.</p> <p>When the review is completed, an amended license, including the activity of sale, is issued to the licensed producer. The licensed producer may now begin supplying cannabis products to registered clients, other licensed producers and/or other parties Separate licenses may be issued for dried marijuana, plants and/or cannabis oil.</p>

## **Operational Highlights**

The Company has not conducted commercial operations and it is focused on obtaining its Health Canada license. In furtherance of this objective, the Company entered into a commercial lease agreement with 1985588 Ontario Inc. for a 40,000 ft<sup>2</sup> facility in Brantford, Ontario, expiring on January 31, 2023. The lease was terminated on July 30, 2019 on the exercise of purchase option and the property transfer to 2705279 Ontario Inc. A new lease was entered between the new landlord for a term of 10 years expiring July 31, 2029 and who will finance all the required build-out and capital improvements required by the Company to secure the required Health Canada Licenses and in turn become a fully operational Cannabis grow and extraction facility.

On November 5, 2018, the Company entered into an agreement with Retailco whereby the Company and Retailco will conduct a mutual share exchange consisting of the Company owning 19.9% of Retailco, and Retailco owning 19.9% of the Company. In connection with this transaction, the Company issued 29,968,424 shares valued at \$0.1875 per share. The transaction was closed on January 31, 2019.

In January 2019, the Company closed a private placement wherein the Company issued 666,667 common shares at \$1.50 per share for gross proceeds of \$1,000,000.

On February 27, 2019, 100% of 2590672 Ontario Inc. issued and outstanding common shares were purchased by the Company which resulted in a reverse take-over ("RTO"). and the Company began trading on the Canadian Securities Exchange ("Exchange") under the symbol "CVGR".

On July 30, 2019, the Company issued 3,671,238 common shares to certain creditors of the Company to settle an aggregate debt of \$580,019. The common shares issued had a deemed price of \$0.125 based on the fair value. As a result, the Company recorded a loss on debt settlement of \$121,114.

On July 30, 2019, the Company exercised the option to purchase on the property (49 Easton Road, Brantford) and transfer it to 2705279 Ontario Inc. (new landlord). In return, the Company entered into a 5 year lease with a 5 year renewable term with the new landlord who will finance all the required build-out and capital improvements required by the Company to secure the required Health Canada Licenses and in turn become a fully operational Cannabis grow and extraction facility. The Company has a right of first refusal should there be a bona fide offer on the property. In connection with the transaction, the Company issued 1,000,000 share purchase warrants with each warrant exercisable into one common share of the Company at a price of \$0.18 per share for a period of 5 years expiring July 30, 2024.

## **Trends**

The Company is in the process of obtaining the Health Canada producer license. The Company's future performance and financial success are largely tied and dependent upon the extent to which it will obtain and maintain the Health Canada producer license.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

## **Financial Highlights**

The Company's net loss totaled \$956,578 and \$17,440,194, respectively, for the three and nine months ended September 30, 2019, with basic and diluted loss per share of \$0.01 and \$0.11, respectively, compared to net loss of \$2,644,435 and \$3,176,655, respectively, for the three and nine months ended September 30, 2018, with basic and diluted loss per share of \$0.03 and \$0.03, respectively. The Company had no revenue during the period.

As at September 30, 2019, total assets are \$10,258,977 (December 31, 2018 - \$541,695) which include cash and cash equivalents of \$91,969 (December 31, 2018 - \$143,463), subscription receivable of \$nil (December 31, 2018 - \$78,000), amounts receivable of \$186,061 (December 31, 2018 - \$115,261), prepaid rent and deposit of \$101,576 (December 31, 2018 - \$40,329), promissory notes receivable of \$366,706 (December 31, 2018 - \$100,761), plant of \$207,044 (December 31, 2018 - \$63,881), right-of-use assets of \$3,586,541 (December 31, 2018 - \$nil), and investments of \$5,719,080 (December 31, 2018 - \$nil).

## **Cash Flows**

At September 30, 2019, the Company had cash and cash equivalents of \$91,969. The decrease in cash and cash equivalents of \$51,494 from the December 31, 2018 cash and cash equivalents balance of \$143,463 was as a result of cash outflow in operating activities of \$943,734, cash outflow in investing activities of \$177,681 and cash inflow from financing activities of \$1,069,921.

Operating activities were affected by adjustments of depreciation of \$159,620, share-based payments of \$1,484,939, accrued interest income of \$15,945, interest expense on lease liabilities of \$244,129, interest expense on loan payable of \$11,096, gain on lease modification of \$126,933, forgiveness of debt of \$123,674, gain on debt settlement of \$121,114, listing expense of \$13,553,817, fair value of warrants issued of \$244,900 and net change in non-cash working capital balances of \$943,397 due to increases in amounts receivable, prepaid rent and deposit and accounts payable and accrued liabilities and a decrease in subscription receivable.

Investing activities included purchase of plant of \$177,681.

Financing activities included net proceeds from issuance of common shares of \$990,000, proceeds from options exercised of \$48,987, proceeds from promissory note of \$450,000 and shares to be issued of \$170,100, offset by loans advanced of \$350,000 and repayment of lease liabilities of \$239,166.

## **Liquidity and Financial Position**

As at September 30, 2019, the Company had a working capital deficiency of \$341,705 (December 31, 2018 – working capital surplus of \$386,873) which included promissory notes receivable of \$366,706 (December 31, 2018 - \$100,761). The Company also incurred a net loss of \$17,440,194 during the nine months ended September 30, 2019 and has yet to achieve profitable operations thereby accumulating a deficit of \$21,885,520 (December 31, 2018 - \$4,366,864). These continuing losses cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the Company will need to raise additional capital through equity issuance and other available means in order to continue funding its operations. The outcome of these matters cannot be predicted at this time.

## Related Party Transactions

Related parties include key management being the Company's executive officers, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The following related party transactions were conducted in the normal course of operations and were made on an arm's length basis:

	Three months Ended September 30, 2019 \$	Three months Ended September 30, 2018 \$
Consulting	66,322	Nil
Share-based compensation	118,755	459
	<b>185,077</b>	<b>459</b>

	Nine months Ended September 30, 2019 \$	Nine months Ended September 30, 2018 \$
Consulting	247,572	Nil
Share-based compensation	375,435	2,112
	<b>623,007</b>	<b>2,112</b>

As at September 30, 2019, \$25,789 (December 31, 2018 - \$2,104) included in accounts payable and accrued liabilities was payable to a key management personnel for expense reimbursement.

## Capital Management

The Company's capital is composed of share capital, reserves and deficit. The Company manages its capital within the following objectives:

- (a) to ensure that there is sufficient financial flexibility to achieve the ongoing business objectives; and
- (b) to maximize shareholder return through enhancing shareholder value.

Management periodically reviews its capital management approach and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management for the period ended September 30, 2019. The Company is not subject to externally imposed capital requirements.



## **Financial Risk Management**

The Company's financial risk exposures and the impact on the Company's financial instruments are as follows:

### **Credit risk**

The Company's credit risk is primarily attributable to cash and accounts receivable. The Company has no significant concentration of credit risk arising from financial instruments.

### **Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company has a working capital deficiency of \$341,705 (December 31, 2018 – working capital surplus \$386,873). The Company had a cash balance of \$91,969 (December 31, 2018 - \$143,463) to settle current financial liabilities of \$1,088,017 (December 31, 2018 - \$90,941). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except short term loans.

### **Fair Value**

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

## **Reverse Take-Over Transaction**

On February 27, 2019, the Company entered into an arm's length business combination transaction (the "RTO Transaction") with 2590672 Ontario Inc. through the purchase by the Company of 100% of the issued and outstanding common shares of 2590672 Ontario Inc. (the "Acquisition"). On the date of the transaction, 2590672 Ontario Inc. has 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 exchanged 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**

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

## **Subsequent Events**

On October 4, 2019, the Company granted 4,100,000 stock options to the directors, officers, and consultants of the Company with an exercise price of \$0.15. The options vest 1/2 each on 6 and 12 months from the grant date and expire in 5 years.

On November 15, 2019, the Company closed the first tranche of its non-brokered private placement, where the Company issued 2,001,333 units ("Unit") at \$0.15 per Unit for gross proceeds of \$300,200. Each Unit is comprised of one common share of the Company and one common share purchase warrant of the Company ("Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at \$0.30 per share and expires in 3 years. In connection with the private placement, the Company paid a total of \$5,750 as finders' fees.

## **Outstanding Share Capital**

As at November 29, 2019, the Company's share capital was as follows:

Authorized: Unlimited common shares without par value

<b>Securities</b>	<b>Number</b>
Common shares issued and outstanding	157,051,464
Common shares issued on RTO transaction	26,446,473
Share purchase options	18,273,332
Share purchase options issued on RTO transaction	1,646,400
Warrants	6,001,333
<b>Fully diluted share capital</b>	<b>209,419,002</b>

As at November 29, 2019, there are 101,458,320 common shares in escrow and will be released at a rate of 20,291,664 every 6 months between the period August 29, 2019 to August 29, 2022.

## **Disclosure of Internal Controls**

Management has established processes to provide them sufficient knowledge to support 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 (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.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this 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 (IFRS).

The issuer'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 a venture issuer 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.

### **Risks and Uncertainties**

The Company faces a material risk that the Company's ability to produce, grow, store and sell medical cannabis in Canada is dependent on obtaining the ACMPR license, and any failure to obtain the license would have a material adverse impact on the business, financial condition and operating results of the Company. In addition, there are a number of economic and environmental factors that must be considered by the Company.

Please refer to the section entitled "Risks and Uncertainties" in the Company's MD&A for the year ended December 31, 2018.

## **Subsequent Events**

- (i) On November 5, 2018, the Company entered into an agreement with a company operating in the cannabis retail space ("Retailco") whereby the Company and Retailco will conduct a mutual share exchange consisting of the Company owning 19.9% of Retailco, and Retailco owning 19.9% of the Company. In connection with this transaction, the Company issued 3,746,053 shares valued at \$1.50 per share. The transaction was closed on January 31, 2019.
- (ii) On December 6, 2018, the Company received conditional approval to list the Company on the Exchange subject to and not limited to raising up to \$2,500,000 in financing and an adjustment of \$78,000 (which the amount was deposited subsequently) to the share price structure as proposed.
- (iii) Subsequent to September 30, 2018, 643,333 shares options were exercised at \$0.50 per share for gross proceeds of \$321,667.
- (iv) In October 2018, the Company granted 1,453,333 share purchase options exercisable at \$1.50 per share for a period of 5 years from date of issuance.
- (v) On November 5, 2018, the Company issued 200,000 common shares valued at \$1.50 for services rendered.
- (vi) In January 2019, the Company obtained a \$1.5 million line of credit, which funds will be used towards leasehold construction in connection with the operations of the business.
- (vii) In January 2019, the Company closed a private placement wherein the Company issued 666,667 common shares at \$1.50 per share for gross proceeds of \$1,000,000.