

LKP SOLUTIONS INC.

MANAGEMENT'S DISCUSSION AND
ANALYSIS

For the Quarter ended July 31, 2018

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For the Quarter Ended July 31, 2018
(Information as at September 28, 2018 unless otherwise noted)

Cautionary Statements

Forward- Looking Information

Except for statements of historical fact relating to LKP Solutions Inc. (the "Company" or "LKP") certain statements contained in this MD&A constitute forward- looking information, future oriented financial information or financial outlooks (collectively "forward- looking information") within the meaning of Canadian securities laws. Forward- looking information may relate to this document and other matters identified in LKP's public filings, LKP's future outlook and anticipated events or results and in some cases can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward- looking statements are based on a number of material factors and assumptions including but not limited in any manner, those disclosed in any other of LKP's public filings and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While LKP considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other LKP filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and, other than as required by law, LKP does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

This MD&A may include forward looking statements regarding the Company's future.

INTRODUCTION

The following provides Management's Discussion and Analysis of the condensed interim consolidated financial position of LKP and the results of operations of the Company for the quarter ended July 31, 2018. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on September 28, 2018.

All figures are presented in Canadian dollars (unless otherwise indicated) and are in accordance with International Financial Reporting Standards ("IFRS"). These statements together with the following Management Discussion and Analysis dated September 28, 2017, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. LKP's condensed interim consolidated financial statements were prepared in accordance with IFRS. All amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise noted.

NATURE OF OPERATIONS

Corporate summary

LKP Solutions Inc. (the "Company" or "LKP") was incorporated as Red Ore Gold Inc. under the name "Red Ore Gold Inc." under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011.

Effective April 27, 2017, the Company completed a Common Share Exchange between LKP and Pueblo Lithium Inc. (a combination of Pueblo Potash Inc. ("PLK") and Agr-O Phosphate Inc, ("AOP"). Each Pueblo shareholder received one new LKP share for each four (4) Pueblo shares, and each Agr-O shareholder received one new LKP share for each two (2) Agr-O share).

The Company was an exploration stage junior mining company.. At the date of these condensed interim consolidated financial statements, the Company has two dormant mineral properties and is currently exploring other opportunities.

On July 11, 2018, the Company entered into a Business Combination Agreement ("BCA") with **Osoyoos Cannabis Inc. ("OSO")**. The BCA provides for a Reverse Takeover ("RTO") transaction where (i) a share consolidation in LKP of 1 new share for every 2.5 shares of LKP outstanding immediately prior to the transaction, and (2) exchange of one new LKP common share for each OSO share. The resulting issuer - LKP - will then change its name to OSO. The completion of the BCA is tentative to the approval of the shareholders at an Annual and Special meeting scheduled for October 25, 2018.

As at July 31, 2017, the Company's shares were not listed on any exchange. The office of the Company is located at #408 – 150 – 24th Street, West Vancouver, British Columbia, V7V 4G8.

Cease Trade Order and Revocation

In June 2013, the Company was issued a Cease Trade Order due to a failure to file its annual financial statements, Management Discussion and Analysis and certificates for the year ended April 30, 2013. Further cease trade orders followed for failure to file the 2014 annual financial statements, Management Discussion and Analysis and certificates, and the subsequent quarterly financial reports.

On March 11, 2016 each of the British Columbia Securities Commission (the **BCSC**, in respect of its cease trade order dated September 8, 2014), the Ontario Securities Commission (the **OSC**, in respect of its cease trade order dated September 23, 2014) and the Alberta Securities Commission (the **ASC**, in respect of its cease trade order dated December 9, 2014) issued partial revocation and variation orders (the **Partial Revocation Orders**) in respect of the cease trade orders issued by each commission (collectively, the **Cease Trade Orders**) for the failure of the Company to file its comparative financial statements for the year ended April 30, 2014 and Form 51-102F1 *Management's Discussion and Analysis* for the period ended April 30, 2014 as required by National Policy 51-102 - Continuous Disclosure Obligations and the respective securities legislation of British Columbia, Ontario and Alberta (note 19).

On May 16, 2016 the Cease Trade Orders were revoked.

Highlights

Highlights for the period ended July 31, 2018 include:

On July 11, 2018, the Company entered into a Business Combination Agreement ("BCA") with **Osoyoos Cannabis Inc. ("OSO")**. The BCA provides for a Reverse Takeover ("RTO") transaction where (i) a share consolidation in LKP of 1 new share for every 2.5 shares of LKP outstanding immediately prior to the transaction, and (2) exchange of one new LKP common share for each OSO share. The resulting issuer - LKP - will then change its name to OSO. The completion of the BCA is tentative to the approval of the shareholders at a Annual and Special meeting scheduled for August 31, 2018.

ON-GOING PROJECTS

As at July 31, 2018, the Company has no on-going projects in the mineral exploration sector. Work is continuing on completing the RTO transaction as contemplated in the BCA with OSO.

Exploration and evaluation expenditures

During the period ended July 31, 2018, the Company incurred \$Nil of exploration and evaluation expenses or other costs to keep the properties in good standing.

The Company expenses all exploration costs on an annual basis. The properties are carried forward at a nil asset valuation.

SELECTED FINANCIAL INFORMATION

The following table contains selected consolidated financial information of the Company for the Quarter ended July 31, 2018, and 2017.

	Quarter ended July 31, 2018	Quarter ended July 31, 2017
Total expenses	(92,393)	(1,997)
Net loss and comprehensive loss for the Quarter	(92,393)	(1,997)
Loss per share		
Loss per common share:		
Basic and diluted	(0.006)	(0.000)
Weighted average number of common shares outstanding:		
Basic and diluted	16,407,054	16,407,054

The chart below presents the summary financial information of LKP Inc.:

	As at July 31, 2018	As at April 30, 2018
Current assets	50,283	8,986
Noncurrent assets	-	-
Total assets	50,283	8,986
Current liabilities	454,804	321,114
Total long-term financial liability	-	-
Shareholders' deficiency	(404,521)	(312,128)
Cash dividends per common share	-	-

The chart below presents the summary financial information of LKP Inc. for the Quarters ended July 31, 2018 and 2017:

	Quarter ended July 31, 2018	Quarter ended July 31, 2016
Operating expenses	92,393	1,997
NET LOSS	(92,393)	(1,997)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss for the Quarter

Total expenses for the period ended July 31, 2018, were \$92,393 (July 31, 2017 – \$1,997).

Significant variance

In the current quarter, the Company's only activities were advancing the completion of the Management Information Circular relating to the contemplated RTO transaction with OSO, as well as limited activity in promoting a future market for the Company shares after completion of the contemplated RTO transaction.

In the comparative quarter ended July 31, 2017, the Company only incurred those costs necessary to maintain the Company's continued existence and recovered costs accrued in prior periods.

Professional fees (recoveries) were \$45,570 higher in Q1 2018 due to legal and audit costs related to preparation of the Management information Circular. Certain costs were recovered in Q1 2017.

Management and contractor fees were higher \$29,203 in Q1 2018 due to costs incurred for CEO, CFO and Corporate Secretary services. None were incurred in Q1 2017.

Promotion and investor conference (recoveries) were higher by \$14,014 in Q1 2018 due to costs related to preliminary work in promoting a future market for the Company shares after completion of the contemplated RTO transaction. Certain costs were recovered in Q1 2017.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance new and existing exploration activities.

Quarterly results

Quarter	Net Income (Loss) (\$)	Income (Loss)/ Share (\$)	Total Assets (\$)	Shareholder's Equity (\$)
Q1 2019	(92,393)	(0.006)	50,283	(404,521)
Q4 2018	(12,657)	(0.001)	8,986	(312,128)
Q3 2018	(119,319)	(0.007)	141,093	(299,471)
Q2 2018	(10,135)	(0.001)	9,511	(180,152)
Q1 2018	1,997	0.000	30,197	(185,017)
Q4 2017	(1,335,854)	(0.679)	19,471	(217,029)
Q3/2017	(34,706)	(0.01)	11,854	(80,441)
Q2/2017	(34,395)	(0.03)	8,553	(80,291)

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the condensed interim consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

Exploration and evaluation costs – Exploration and evaluation costs of mineral exploration properties together with direct exploration and development expenditures are only capitalized when the Board of Directors is convinced that the Company has an economically feasible mineral reserve located on one of its exploration properties. Until that point, all exploration and evaluation costs are expensed until an economically feasible reserve is identified.

Income taxes - The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense or development property and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2018, the Company had cash of \$28,682. During the Quarter ended July 31, 2018, the Company spent cash of \$104,468 through operating activities, and received \$132,881 through financing activities.

The Company has financed its operations from inception to date through the issuance of equity securities. During the Quarter ended July 31, 2018 and the year ended April 30, 2018, the Company received significant financing in the form of unsecured non-interest-bearing advances from OSO which were advanced in the expectation of completion of the contemplated RTO transaction with OSO.

The Company currently has no source of revenues; as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares and warrants. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

Financing Transactions

Year Quarter July 31, 2018

The Company had 16,407,054 shares outstanding as of July 31, 2018 and April 30, 2017. There were no share issuances in Q1 2018.

At July 31, 2018, the Company had 1,658,500 warrants outstanding.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at July 31, 2018 and July 31, 2017, are as follows:

	July 31, 2018	July 31, 2017
Common shares	16,604,047	16,604,047
Warrants	1,658,500	1,658,500
Fully diluted shares outstanding	18,065,554	18,065,544

a) **Share Issuances**

There were no issuances of common shares in the quarter ended July 31, 2018 and the year ended April 30, 2018

b) **Warrants**

As at July 31, 2018 the Company had a total of 1,658,500 common share warrants issued and outstanding. The following is a summary of changes in warrants:

Number of Warrants	Exercise price	Expiry
201,000	\$0.20	July 21, 2020
892,500	\$0.10	October 1, 2020
565,000	\$0.20	December 31, 2020

During the 3 months ended July 31, 2018, the expiry date of the above options was extended by 24 months.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable, share subscriptions received in advance, and due to related parties. The fair value of the Company's accounts payable, share subscriptions received in advance, and due to related parties approximate their carrying values, due to their short-term natures. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at April 30, 2016 the Company does not have any Level 3 financial instruments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company considers Rosehearty Energy Inc. ("Rosehearty")(formerly Galahad Metals Inc.) to be a related company due to common directors and management.

Transactions with key management personnel

Key management of the company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Corporate Secretary. Key Management remuneration includes the following:

	<u>July 31, 2018</u>	<u>July 31, 2017</u>
Short-term key management benefits		
Compensation	<u>\$ 34,283</u>	<u>\$ Nil</u>

The Company has no employees. Compensation fees are paid/accrued to key management personnel which include the CEO, CFO, and the Corporate Secretary. The Company has incurred no director's fees and stipends for the three month period ended 31 July 2018 and 2017. Included in accounts payable and accrued liabilities is (a) \$Nil (April 30, 2018 - \$142) owing to the CEO, (b) \$1,500 for an advance owing to Agro (April 30, 2018 - \$1,500), (c) \$Nil (April 30, 2018 - \$3,500) owing to the CFO.

Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Also included are the CEO, CFO and the Corporate Secretary.

- During the period ended July 31, 2018, the Company accrued \$2,000 (2017 - \$Nil) in rent to the CEO.
- During the period ended July 31, 2018, the Company incurred a gain on the write-off of a related party amount of \$Nil (year ended April 30, 2018- \$39,153) owing to the CEO, included in other income.
- During the year ended April 30, 2017, the Company settled an amount owing to the former CEO of \$81,145 by issuing shares.
- During the year ended April 30, 2017, the Company settled a convertible debenture and accrued interest to Rosehearty by issuing shares. During the year ended April 30, 2017, accretion expense of \$5,271 was recorded on this convertible debenture. (Note 8)

Balances with related parties

- As at July 31, 2018, 2018, the Company has a balance of \$432,272 owing to OSO (April 30, 2018 - \$299,391). This loan is non-interest bearing, unsecured, and has no terms of repayment.

- Included in accounts payable and accrued liabilities is \$Nil (April 30, 2018- \$142) owing to the CEO of the Company, and \$Nil (April 30, 2018 - \$3,500) owing to the CFO of the Company.

BOARD PURPOSE AND FUNCTION

The directors and management of the parent company have extensive experience operating in the United States and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial period under review, the board consisted of four members.

Except as disclosed below, LKP Solutions Inc. is not aware of any director or of the families of any directors, having any interest, direct or indirect, in any transaction during the last financial year or in any proposed transaction with any company in the LKP Solutions Inc. which has affected or will materially affect LKP Solutions Inc.

DIRECTORS AND OFFICERS, CHANGES

On October 24, 2012 Patricia Purdy was appointed a Director

On June 25, 2013, Michael Newman, resigned from the Board of Directors

On August 27, 2013, Patricia Purdy resigned as Corporate Secretary

On May 31, 2014 Sabino Di Paola resigned as CFO

On May 31, 2014 Robin Dow was appointed interim CFO

On April 9, 2015 Robert Schellenberg resigned from the Board of Directors

On December 31, 2015 Robin Dow resigned as Interim CFO

On December 31, 2015 Douglas Wallis was appointed CFO

On March 24, 2016 Larry Hoover resigned as a Director and CEO.

On March 24, 2016, Robin Dow was appointed CEO.

On April 4, 2016, Patricia Purdy was appointed Corporate Secretary.

On October 28, 2016, Kristine Dorward and Paul W. Pitman were appointed Directors.

INVESTOR RELATIONS

As at the date of this Management Analysis and Discussion, LKP, has not yet signed a contract with an investor relation company.

PROPOSED TRANSACTIONS

The Company is continuing work to complete the RTO transaction with Osoyoos Cannabis Inc.

CONTRACTUAL OBLIGATIONS

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments except for those related to property option agreements and as disclosed below. Any commitments under exploration property option agreements are cancellable at the Company's option but would result in forfeiture of rights under those agreements.

- a) The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, in term of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect.
- b) As at July 31, 2018, the Company has negative working capital of \$404,521 and as a result does not have significant working capital to meet its existing obligations and fund its operations over the next twelve months. The Company is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of external financing.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry

in general and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the mineral business.

It should be noted that at the date of this report, the company has no mineral assets. However, should the Company secure an interest in a different business, the risk factors may be significantly different, and the Company will define those at that time in the MD&A subsequent to any transaction.

Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Uninsured Hazards

The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits

in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors of the Company also serve as Directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its mining activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

Operating in Foreign Jurisdictions

The Company had a property in the United States of America and as a result is exposed to a level of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in a foreign country in which it operates may adversely affect business operations.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

The Company intended to retain its interest in the Bottle Creek property as part of this strategy; however, it had no funding available to proceed on the property. On March 8, 2016 the Company disposed of its interest in the property for proceeds of \$15,000.

The Company's short term list of objectives is as follows:

- The Company intends to work closely with OSO to complete the contemplated RTO transaction.

SUBSEQUENT EVENTS NOT OTHERWISE DISCLOSED

Subsequent events not otherwise disclosed

The Company announced that an annual and special meeting of the Shareholders of the Company will be held on October 25, 2018 to consider, among other things, and if deemed appropriate, to pass, with or without variation, a special resolution approving the acquisition of Osoyoos Cannabis Inc. (“OSO”) as more particularly set out under the heading “Approval of the Acquisition of OSO” in the Management Information Circular.

OTHER INFORMATION

Other information and additional disclosure of the Company’s technical reports, material change reports, news releases, and other information may be found on SEDAR.

CORPORATE INFORMATION

Directors and Officers

Robin Dow, HBA, MBA, FCSI – CEO, Director and Chairman
Paul W. Pitman, Director
Kristine Dorward – Director
Doug Wallis, CPA, CA – CFO
Patricia L. Purdy – Director and Corporate Secretary

Corporate Office

#408-150-24th St., West Vancouver, British Columbia, V7V 4G8

Independent Auditor

Buckley Dodds Parker LLP, Vancouver

Corporate Banker

Royal Bank of Canada, West Vancouver

Transfer Agent

Capital Transfer Agency Inc., Toronto