HERBAL CLONE BANK CANADA INC.
(Formerly INFINITY MINERALS CORP)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Three Month Period Ended November 30, 2014

1.1 DATE

DATE

This management discussion and analysis ("MD&A") prepared as of January 28, 2015, reviews and summarizes the activities of Herbal Clone Bank Canada Inc. ("Herbal Clone" or the "Company") and compares the financial results for the quarter ended November 30, 2014 with the prior year comparable periods. This information should be read along with the unaudited, management prepared financial statements for the three month period ended November 30, 2014, and the Company's audited financial statements for the period ended August 31, 2014 and related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and also on the Company's website at www.infinitymineralscorp.com.

Forward Looking Statements

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Infinity's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward- looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties identified elsewhere in this MD&A, actual results may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

1.2 OVERALL PERFORMANCE

Description of Business

Infinity Minerals Corp. ("IMC") was incorporated on November 12, 2010, under the laws of the province of British Columbia, Canada. The corporate office and principal place of business address is Suite 401, 409 Granville Street, Vancouver, British Columbia, Canada. On August 29, 2014, the Company completed the acquisition of The Herbal Clone Bank Inc. ("THC"), including its subsidiary Advanced Greenhouse Technologies Ltd. The transaction was accounted for as a reverse takeover ("RTO"). Concurrent with the completion of the transaction, the Company changed its name to Herbal Clone Bank Canada Inc. ("HCBC") to reflect a change in business. The Company's principal activity is to acquire a Health Canada license under the Marihuana for Medical Purposes Regulations for the purpose of providing services to producers of medical marihuana. The Company trades on the Canadian Securities Exchange under the symbol “HC” and began trading under the new symbol on September 8, 2014.

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company incurred losses from inception to November 30, 2014 of $5,746,880. The Company needs to raise sufficient capital to fund development costs, administration expenses and future acquisitions. The Company’s ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As at November 30, 2014, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business plan, all of which may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

On August 29, 2014, the Company acquired all of the issued and outstanding securities of The Herbal Clone Bank Inc. (“THC”), including its subsidiary Advanced Greenhouse Technologies Ltd. (the “Acquisition”), in exchange for issuance of securities of the Company. The Acquisition consisted of a share exchange agreement where the holders of all of the issued and outstanding shares of THC received securities in the Company. THC shareholders received one common share for each THC share held by THC shareholders on the date the Acquisition was completed. The Company issued 28,750,000 shares, subject to an escrow agreement.

After completion of the Acquisition, an aggregate of 49,234,200 common shares of the Company was outstanding. Ownership percentage of the Company’s outstanding shares was: THC shareholders – 58% and IMC shareholders - 42%. The RTO resulted in the shareholders of THC acquiring control of the Company. The Company has issued a sufficient number of securities such that control of the Company passed to the security holders of THC and THC was considered the acquirer for accounting purposes. The RTO was accounted for as a recapitalization of the Company. The Acquisition was accounted for as a business acquisition, as the Company and THC both meet the definition of a business under IFRS 3.

Pursuant to the RTO transaction, the consolidated financial statements for the period ended August 31, 2014 reflected the consolidated assets, liabilities, and results of operations of THC prior to the RTO. The consolidated assets, liabilities and results of operations of the Company and THC are included subsequent to the RTO. The consolidated financial statements were issued under the legal parent Herbal Clone Bank Canada Inc., but are deemed to be a continuation of the legal subsidiary THC.

The allocation of the share exchange for the acquisition of IMC by THC was as follows:

Consideration received:		
Issuance of 28,750,000 common shares	**$**	**6,145,260**
Purchase price allocation:		
Cash	$	222,956
Non-current assets		211,274
Non-cash working capital, net		848,942
Net assets acquired		1,283,172
Listing expense		4,862,088

Purchase price allocation	**$**	**6,145,260**

Infinity Minerals Corp’s historical business activities have been the exploration and development of mineral properties. The Company is a reporting issuer in British Columbia, Ontario and Alberta, and its common shares are traded on the Canadian Stock Exchange under the symbol “HC”. The Company was formerly listed on the TSX Venture Exchange under the symbol IFN and voluntarily delisted from the TSX-Venture on May 22, 2014.

On November 10, 2014, the Company announced that its common shares now also trade on the Frankfurt Exchange with the symbol of FSE: HC. In support of the new listing, the Company has entered into a shareholder information agreement with Star Finance of Steinhausen, Switzerland to provide translation services and news release dissemination to shareholders and interested investors in the European marketplace.

As stated above, and because of the difference in regulatory costs and transaction review timing, the Company decided to move the listing for the Company’s common shares and tradable share purchase warrants from the TSX-Venture Exchange to the Canadian Securities Exchange (“CSE”). On May 22, 2014 the Company voluntarily delisted from the TSX-Venture and on May 23, 2014, the Company’s common shares began trading on the Canadian Securities Exchange under the symbol, “IFN”.

On June 2, 2014, the Company announced that it had signed a Non-Binding Letter of Intent (“LOI”) on May 29, 2014 to acquire 100% of the outstanding shares of a private Medical Marihuana services company based in the Okanagan Valley of British Columbia. The LOI eventually was formalized in a Share Exchange Agreement and the acquisition of THC Bank by Infinity Minerals Corp became effective as at August 29, 2014.

In addition to the acquisition of the shares of THC Bank, the Share Exchange Agreement provided that certain THC Bank nominees, being Barry Kuypers, David Hutchinson and Marc Geen would be appointed to the Board of Directors of the Company. The Share Exchange Agreement also contemplated a name change of the Company to Herbal Clone Bank Canada Inc.

On June 12, 2014 the Company advised that its target acquisition company, The Herbal Clone Bank Inc. reported a sale through its subsidiary, Advanced Greenhouse Technologies, of a complete fully-automated greenhouse system valued in excess of $1.0 million. The 40,000 sq. ft. project was planned to commence by mid-summer of 2014 with completion slated for late summer. The Company received non-refundable customer deposits of $67,000 for the construction of the greenhouse. As at November 30, 2014, work and delivery had not commenced as the customer has not yet obtained its Health Canada MMPR license.

The transaction closed on August 29, 2014 and name and symbol changes were implemented and the Company’s common shares called back to trade on September 8, 2014. During the period from August 29, 2014 to September 7, 2014 all required regulatory filings were completed; and all associated documentation was filed on the Company’s site on the CSE website in connection with the transaction.

A Certificate of Compliance was filed that certified that all corporate actions were in accordance with the requirements of applicable securities legislation as defined in National Instrument 14-101 and all CSE requirements. In addition the Company filed a letter from CDS certifying the new CUSPIP/ISIN numbers and the new trading symbol of HC. In addition to the above noted filings, the Company also filed on its CSE website, a Form 51-102, Change of Corporate Structure; a Form 4 Listing Agreement; a Form 1A Listing Application; an Early Warning Report as required under Section 5.2 of National Instrument 62-104 and a Material Change Report as required on Form 51-102F3.

On September 5, 2014 the Company disseminated a news release stating that the CSE had issued a formal bulletin advising of its approval of the transaction and also advising that the Company's shares would resume trading at the opening on Monday September 8, 2014.

After the year end and during September, 2014, 28,750,000 shares were issued to the THC Bank shareholders as a component of the acquisition and are subject to the provisions of an Escrow Agreement and will be released over a period of 36 months. In addition, Mr. Barry Kuypers has been appointed Chairman, President and CEO of the Company. Mr. David Hutchinson has been appointed Vice President of Communications.

On October 14, 2014, the Company announced that it had entered into a letter of intent to license a newly designed automated vertical cloning technology from Affinor Growers, (CSE: AFI, OTC: RSSFF, Frankfurt:1AF). Both companies were working on the terms of the LOI and had expected to reach a definitive agreement prior to November 30, 2014.The Company subsequently decided that it will not be proceeding with the planned license arrangement.

On November 10, 2014, the Company announced that Luca Riccio, Ph.D.,Geo, had resigned as a director.

The Company also announced the appointment of Kevin Blucke, CPA, CMA as a director to replace Dr. Riccio. Kevin Blucke graduated from Kwantlen University of Surrey, BC in 1994 from the Accounting program, with a minor in Computer Studies. He became a Certified Management Accountant in 1998 and a Certified Public Accountant in 2008. Mr. Blucke has twenty years' experience in accounting and management. He has volunteered as Chair of the Certified Management Accountants of BC – Okanagan Chapter as well as a Director of the BC Restaurant and Food Service Association.

He has been featured on the cover of Management Magazine and in national advertising campaigns for CMA Canada and the National Credit Union of Canada. In 2008, Mr. Blucke was awarded the CMA Brand Ambassador of the Year award as voted by his peers for his ethics and knowledge.. He currently volunteers as a coach with the Okanagan Athletics Track and Field team.

On November 10, 2014, the Company also announced the formation of a wholly owned Washington State subsidiary, "American Greenhouse Technologies" (AGT.USA). Herbal Clone believes that Washington State offers many opportunities to provide cash flow through its subsidiary via all aspects of the horticulture industry.

Mineral Property – Rainbow Claim Group

Herbal Clone Bank Canada Inc. holds a 100% interest in two contiguous mineral tenures comprising 317.64 hectares located approximately four kilometers northwest of the community of Midway in south central British Columbia and known as the Rainbow Claim Group.

As a result of the conclusion of the acquisition transaction for THC Bank, the Company has elected to no longer be active in mineral exploration activities and is actively seeking to sell ownership of its Rainbow property to third parties. As at August 31, 2014, the Company recorded an impairment loss of $209,979 due to the Company's change in business operations. The Company maintains good standing on the property's mineral titles.

Restoration and environmental obligations

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

At November 30, 2014, the Company had no restoration and environmental obligations.

1.3 SELECTED ANNUAL INFORMATION

For the Year ended	August 31, 2014
Total Revenues (consulting and interest)	$11,775
Income or loss before discontinued operations and extraordinary items	<5,387,534>
Net Loss in total	<5,387,534>
--Basic and diluted loss per share	<0.36>
Total Assets	1,046,537
Total Long term Financial Liabilities	0
Cash Dividends Declared	0

1.4 DISCUSSION OF OPERATIONS

The following discussion and analysis of the operating results and financial condition of the Company should be read in conjunction with the annual audited financial statements and notes for the fiscal year ending August 31, 2014 as well as the unaudited interim financial statements for the three month period ended November 30, 2014.

Financial Information for the Three Month Period ended November 30, 2014

During the period ended November 30, 2014, the Company received minimal revenues of $1,650 in consulting fees.

The Company's consolidated expenditures during the period ended November 30, 2014 included the following key areas:

- $25,621 was expended for legal and audit fees. These costs included legal related costs for all companies;
- $102,340 for consulting fees. These included consulting fees relating to the development of the consolidated entity's business plan moving forward, and in financial consulting related to annual advertising and news dissemination services;
- $30,509 in office and general costs. These costs included office rents, telecommunications, investor relations and all related office supply and services components for all three entities;
- $101,538 was expended for management fees. In addition an amount of $42,109 was expended on payroll for support staffing costs during the period;
- $42,159 in marketing and promotional costs related to potential greenhouse sales efforts.

During the period, management was completely involved in activities related to the Company's Health Canada license application and in diligence activities related to potential business opportunities in Washington State.

As a result of these expenditures, the Company incurred a net comprehensive loss of $359,346 for the period.

The Company's working capital as at November 30, 2014 was $213,748.

1.5 SUMMARY OF QUARTERLY RESULTS

This financial data has been prepared in accordance with International Financial Reporting Standards and all figures are stated in Canadian dollars. On August 29, 2014, the Company acquired all the issued and outstanding securities of the Herbal Clone Bank Inc. The Acquisition was accounted for as a business acquisition, as the Company and THC both meet the definition of a business under IFRS 3. As of result, some of the previous quarterly results still reflect the operations of Infinity Minerals Corp.

Financial results:	**November 30, 2014**	**August 31, 2014**	**May 31, 2014**	**February 28, 2014**
Quarter	**1st (3 months)**	**4th (3 months)**	**3rd (3 months)**	**2nd (3 months)**
Net (loss) profit for the period	(359,346)	(5,227,864)	(161,536)	(56,783)
Basic/Diluted loss per share	(0.02)	0.34	0.01	0.01
Balance sheet data:				
Cash	254,483	845,248	71,195	166,439
Total assets	436,939	1,046,537	30,115	386,312
Shareholders' Equity	215,902	575,248	191,618	320,188

Financial results:	Nov. 30, 2013	Aug. 31,2013	May 31, 2013	Feb. 28, 2013
Quarter	**1st**	**4th**	**3rd**	**2nd**
	(3 months)	**(3 months)**	**(3 months)**	**(3 months)**
Net loss for the period	(47,539)	(158,283)	(173,308)	(77,668)
Basic/Diluted loss per share	0.01	0.01	0.01	0.01
Balance sheet data:				
Cash	107,704	217,635	348,281	411,567
Total assets	459,660	442,890	570,547	639,570
Shareholders' Equity	376,971	329,432	488,415	579,521

1.6 LIQUIDITY

As at November 30, 2014, the Company had working capital of $213,748 and had current assets of $434,785 of which $254,483 was in cash and term deposits.

In addition, there were current liabilities in the amount of $221,037 which was comprised of accounts payable of $99,381 which included unpaid legal fees, unpaid project evaluation costs, and a number of smaller accrued liabilities, customer deposits of $67,000, a loan payable of $25,034, and a total of $29,622 owing to directors and officers of THC Bank.

During the period, there were net cash outflows of $27,131 primarily as a result of a net loss for the period of $359,346, and a reduction in trade payables and accrued liabilities of $59,228. The net negative cash outflow from operating activities of $399,740.

Total investing activities during the period was nil.

Financing activities during the period resulted in net cash inflow of $372,609 resulting from term deposit redemptions of $563,634; a decrease in loans payable in the amount of $45,000 and a reduction in amounts due to related parties of $146,025.

During the period to November 30, 2014, the net decrease in cash was $27,131 and end period cash was $200,554.

On July 28, 2014, the Company provided a loan to an arm's-length party in the amount of $75,000. On September 9, 2014, the Company provided another loan to the same arm's-length party in the amount of $15,000. Under terms of the agreement, interest is payable on the unpaid principle at 6% per annum. Loan proceeds are convertible at the Company's option into equity of the arm's-length party. The term of the loan was twelve months and is unsecured. As at November 30, 2014, $1,553 in interest has been accrued and included in the balance of the loan receivable.

1.7 CAPITAL RESOURCES

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the identification, acquisition, exploration and development of mineral property interests. Capital is comprised of the Company's shareholders' equity. As at November 30, 2014, the Company's shareholders' equity was $215,902.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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors, except for guarantees.

1.9 TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel compensation

Payments to key management personnel including the President, Chief Financial Officer, a director, and companies directly controlled by key management personnel are for consulting fees or management fees and are directly related to their position in the organization.

	Three Months ended November 30, 2014	Three Months ended November 30, 2013
Short-term compensation and consulting	$ 120,000	$ -
Total compensation of key management and directors	$ 120,000	$ -

As at November 30, 2014, the Company had amounts payable to directors and officers of the Company of $26,666. These amounts are unsecured, non-interest bearing, have no fixed terms of repayment and are due on demand.

1.10 FOURTH QUARTER RESULTS

N/A

1.11 PROPOSED TRANSACTIONS

Nil

1.12 CRITICAL ACCOUNTING ESTIMATES

As at August 31, 2014, the Company’s financial statements reflect an asset “Exploration and Evaluation Assets” with a balance of $209,979. The recoverability of this amount is dependent upon the successful sale of the property to another mineral exploration or investment entity since the Company has elected to not proceed in the mineral exploration industry in the future. Accordingly, this entire amount was written off as of August 31, 2014 as a result of the corporate change of business.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

IFRS 10 "Consolidated Financial Statements"

This new standard will replace IAS 27 "Consolidated and Separate Financial Statements", and SIC-12 "Consolidation – Special Purpose Entities". Concurrent with IFRS 10, the IASB issued IFRS 11 "Joint Ventures"; IFRS 12 "Disclosures of Involvement with Other Entities"; IAS 27 "Separate Financial Statements", which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 "Investments in Associates and Joint Ventures", which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee.

IFRS 11 "Joint Arrangements"

This new standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes lAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities-Non-monetary Contributions by Venturers.

IFRS 12 "Disclosure of Interests in Other Entities"

This new standard establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 "Fair value measurement"

This new standard replaces the fair value measurement guidance currently included in various other IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements.

Amended Standard IAS 1 "Presentation of Financial Statements"

This standard provides extensive guidance on determining fair value for measurement or disclosure purposes.

IAS 27 - Separate Financial Statements

IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9.

IAS 28 - Investments in Associates and Joint Ventures

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

None of the above standards have been early adopted or are expected to have significant impact on the Company's financial statements.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of November 30, 2014 and have not been applied in preparing these financial statements.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company will adopt this standard effective September 1, 2018.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

The Company does not have any derivative financial assets and liabilities.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with a major bank in Canada. As all of the Company's cash and cash equivalents are held by one bank in Canada, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company is not exposed to credit risk on recoverable taxes, as these are due from the Government of Canada.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and banking facilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign currency exchange rate risk and commodity price risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Commodity price risk is the risk that market values and future incomes will fluctuate because of changes in commodity prices. The Company does not have any direct exposure to foreign currency exchange rate risk or commodity price risk. The Company had no forward exchange rate contracts or commodity price contracts in place as at November 30, 2014.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at November 30, 2014, the Company did not have any significant interest rate risk.

The Company had no interest rate swap or financial contracts in place as at November 30, 2014.

Capital Management

The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditures and the scope of operations during periods of commodity pricing decline and economic downturn.

There were no changes in the Company's approach to capital management during the period ended November 30, 2014. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

The Company's financial instruments consisted of cash, term deposits, receivables, accounts payable and accrued liabilities, customer deposits, loan payable, unearned revenue and due to related parties. The Company designated its cash, term deposits and receivables as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities, customer deposits, loan payable, unearned revenue and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Commitments

The Company entered a management service agreement on January 1, 2014 with the chief executive officer ("CEO") where the officer is to be compensated $12,000 a month until June 1, 2014, when the monthly compensation would be reduced to $8,000 a month until such time as the party or the Board of Directors terminates the agreement. The agreement permits the Company to settle any payment in shares at any time. The CEO is also entitled to participate in a stock option arrangement when the Board announces its stock option plan.

The Company entered a management service agreement on January 1, 2014 with the director of communication ("DOC") where the party is to be compensated $5,000 a month until June 1, 2014, when the monthly compensation would be increased to $8,000 a month until such time as the party or the Board of Directors terminates the agreement. The agreement permits the Company to settle any payment in shares at any time. The party is also entitled to participate in a stock option arrangement when the Board announces its stock option plan.

The Company entered into a management service agreement with a 0949453 BC Ltd., (“ManagementCo”) a connected company of the chief financial officer. Monthly compensation charged by ManagementCo is $8,000 a month until such time as the party or the Board of Directors terminates the agreement.. The ManagementCo is also entitled to participate in a stock option arrangement when the Board announces its stock option plan.

The Company entered a management service agreement on January 1, 2012 with a director where the party is to be compensated $10,000 a month until such time as the party or the Board of Directors terminates the agreement. Advanced written notice of twenty-four months is required for termination. The party is also entitled to participate in a stock option arrangement when the Board announces its stock option plan.

The Company entered a management service agreement on January 1, 2012 with a director where the party is to be compensated $8,000 a month until such time as the party or the Board of Directors terminates the agreement. Advanced written notice of twenty-four months is required for termination. The party is also entitled to participate in a stock option arrangement when the Board announces its stock option plan.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at November 30, 2014. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the interim filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

1.15 Other MD&A Requirements

Summary of outstanding share data as of January 28, 2015:

Issued shares	49,234,200	
Options	2,215,000	See (a) below
Warrants	3,514,150	See (b) below

Fully Diluted	54, 963,350	

Notes to the above;

(a) The Company has a 10% rolling stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant.

As at November 30, 2014 the following stock options were outstanding:

Total number of options	Exercise price	Expiry date
665,000	$0.15	September 15, 2016
150,000	$0.42	June 23, 2017
100,000	$0.40	July 11, 2017
100,000	$0.20	November 19, 2017
400,000	$0.125	April 11, 2019
100,000	$0.27	June 10, 2019
700,000	$0.20	October 31, 2017
2,215,000		

As at November 30, 2014, a total of 26,247,855 shares remain in an escrow pool. A total of 372,855 shares remain from an original escrow agreement and are scheduled for a final release on April 16, 2015. The remaining 25,875,000 escrow shares are from the THC Bank acquisition agreement and are scheduled for release in 6 equal tranches every six months ending on September 8,2017.

(b) As at November 30, 2014 the following share purchase warrants were outstanding:

Total number of warrants	Exercise price	Expiry date
3,514,150	$0.30	June 23, 2015
3,514,150		

Additional information on the Company is available on SEDAR at www.sedar.com and on the Company's website at www:thcbank.ca.

Subsequent Events

None

To the shareholders of HERBAL CLONE BANK CANADA INC.

MANAGEMENT COMMENTS

The audited financial statements of Herbal Clone Bank Canada Inc. for the period ended November 30, 2014 and all information contained in this financial report have been approved by the Company's Board of Directors.

The Company complies with its Canadian Securities Exchange listing agreement. The Company maintains rigorous systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the assets are correctly accounted for and protected.

Vancouver, BC January 28, 2015

/s/ *Barry Kuypers*
Barry Kuypers,
President