



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2018
AND FEBRUARY 28, 2017**

REPORT DATE – APRIL 30, 2018

INTRODUCTION

This management discussion and analysis (“**MD&A**”) of the Company covering the six months period ending February 28, 2018 is prepared as of April 30, 2018. This MD&A reviews and summarizes the activities of High Hampton Holdings Corp. (the “Company”), the financial results for the six months ended February 28, 2018 with historical information. This information should be read along with the Company’s consolidated financial statements for the February 28, 2018 six months ended, and related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts herein are stated in Canadian dollars unless otherwise indicated. Our financial statements and the management’s discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

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 the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward- looking statements. In this MD&A, such forward looking statements include statements concerning the Company’s business objectives that have not yet materialized; the Company’s investigation of business opportunities; the Company’s goal to commence operations; the Company’s intent and ability to raise capital; and the Company’s goal to enhance shareholder value.

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.

Stock Exchanges

High Hampton trades in Canada, ticker symbol HC on the CSE, and in Europe, ticker symbol OHCN on the FSE. Neither the CSE, nor the FSE has approved nor disapproved the contents of this MD&A. Neither the CSE, nor the FSE accepts responsibility for the adequacy or accuracy of this MD&A.

Marijuana Industry Involvement

Canadian listings (CSE) will remain in good standing as long as they provide the disclosure that is required by regulators and complying with applicable licensing requirements and the regulatory framework enacted by the applicable state in which they operate. Marijuana is legal in certain states however marijuana remains illegal under US federal law and the approach to enforcement of US federal law against marijuana is subject to change. Shareholders and investors need to be aware that adverse enforcement actions could affect their investments and that High Hampton’s ability to access private and public capital could be affected and or could not be available to support continuing operations.

OVERALL PERFORMANCE

Description of Business

High Hampton Holdings Corp. was incorporated under the name Infinity Minerals Corp. on November 12, 2010, under the laws of the province of British Columbia, Canada. The name of the Company was changed to Herbal Clone Bank Canada Inc. on August 29, 2014 and subsequently to High Hampton Holdings Corp. on June 18, 2015. The corporate office and principal place of business address is Suite 804 - 750 W Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. The Company is a reporting issuer in British Columbia, Ontario and Alberta, and its common shares are traded on the Canadian Securities Exchange (the "CSE") under the symbol "HC" and on the Frankfurt Exchange under the symbol "OHC".

The Company's wholly owned subsidiary, The Herbal Clone Bank Inc. ("**THC**"), is a private company that was acquired by the Company by way of a reverse takeover on August 31, 2014. THC had made application with Health Canada in 2013 to become a Licensed Producer under (and as defined in) the Marihuana for Medical Purposes Regulations (the "MMPR")¹.

THC's business objective was initially to supply vegetative (first growth) stage cannabis to Licensed Producers enabling them to focus exclusively on the flowering stage of crop production, and thereby eliminating first growth stage infrastructure costs and doubling output by cutting grow cycles from 16 weeks to eight. THC's business plan also anticipated the development of a horticultural facility in Okanagan Falls, British Columbia from which specific services were to be provided including propagation, direct cultivation and sale of purebred cultivars optimized for medical purposes; cloning; marijuana strain storage and database maintenance. Although THC's MMPR license application was submitted to Health Canada in November 2013, the application did not proceed to the final stages and no facility was ultimately built. Consequently, the Company commenced investigation into alternative avenues of entry into the medical and/or retail marijuana industry.

On August 29, 2017, the Company acquired all of the issued and outstanding shares of CoachellaGro Corp. ("CoachellaGro"), a California corporation in the business of seeking and evaluating industrial land municipally zoned for medical-use cannabis, growing facilities, and ancillary cannabis related businesses to acquire in California. CoachellaGro made its initial investment in the Coachella Property, a 10.8 acre property situated in the proposed cannabis industrial park located in Coachella, California.

CoachellaGro is in the application process for a conditional use permit ("CUP") for development of a full service production facility in order to serve third party state licensed medical marijuana operators. The City of Coachella has been progressive in setting up city ordinance that sets aside 120 acres within which will be a legal framework for the cultivation, production, extraction and transportation of cannabis. The complex is intended to contain all the necessary; security, infrastructure, equipment, labour and skilled management, supplies and ancillary services for a closed loop production process flow.

¹ Health Canada's MMPR was recently modified on August 24, 2016 and renamed *Access to Cannabis for Medical Purposes Regulations* (ACMPR) but for the purposes of this MD&A, the acronym MMPR will be used to refer to the current Health Canada regulations.

QUARTER REVIEW

New Business Opportunities

During the six months ended February 28, 2018, Company management continued to investigate potential revenue-generating opportunities and is currently engaged in discussions with several cannabis-related businesses seeking to enter the public marketplace.

Board and Management Changes

On October 25, 2017, the Company's board of directors appointed Fiona Fitzmaurice as Chief Financial Officer of the Company following the resignation of Rukie Liyanage.

On December 11, 2017, the Company's board of directors appointed David E. Argudo as Chief Executive Officer of the Company. Argudo has been an invaluable asset to the Company in facilitating the application process for the Conditional Use Permit ("CUP") for its wholly owned CoachellaGro asset within the Coachella cultivation zone.

On January 23, 2018, Brendan Purdy resigned as director of the Company. The remaining board elected Fiona Fitzmaurice to the board of directors to fill the vacancy.

Significant Events

On December 1, 2017, the Company's board of directors approved the implementation of a restricted share unit plan (the "RSU Plan"), fixed stock option plan (the "Fixed Plan, and grant of an aggregate of 2,550,000 restricted share units pursuant to the RSU Plan (each, an "RSU"). Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board, subject to a maximum vesting term of three (3) years from the end of the calendar year in which RSUs were granted. Upon vesting, eligible participants shall be entitled to a cash payment equal to the number of RSUs granted, multiplied by the fair market value of the Company's common shares on the redemption date. The Company shall also have the option (at the discretion of the Board) to settle amounts owing to eligible persons via the issuance of common shares of the Company.

The Fixed Plan will replace the Company's "rolling" stock option plan. The Fixed Plan allows the board of directors to grant up to an aggregate of up to 10% stock options of the Company to encourage equity participation among senior officers, employees, consultants and directors through the acquisition of Common shares of the Company. The Fixed Plan will be submitted to the Company's shareholders for approval at its 2017 annual meeting of shareholders. Any stock options granted pursuant to the Fixed Plan after the date hereof and prior to shareholder approval will also be subject to, and will not be exercisable until disinterested shareholder approval has been obtained. If such approval is not obtained, the stock options granted under the Fixed Plan will terminate.

On January 23rd, 2018 the Company applied for its OTCQB listing, in response to increased interest from U.S. investors and to ensure continued trading liquidity for the Company's common shares across different markets in North America. Also, the Company announced that its CFO Fiona Fitzmaurice has been appointed as a Director to the High Hampton board. High Hampton and the Board of Directors would like to thank Brendan Purdy for his past commitment and dedication to the company. He has resigned from his position as Chairman and Director of the board to focus on his law practice and future endeavours.

On February 9th, 2018 the Company announced its intention to complete a non-brokered private placement (the "Offering") for gross proceeds of up to CDN \$7,500,000.

Subsequent to the quarter end, the Company announced that, further to its news released on February 9th, 12th and March 8th, 2018 it successfully closed its non-brokered private placement of 31,703,565 units of the Company at a price of \$0.60 per unit for gross proceeds of approximately \$19 million. Each Unit consists of one common share of the Company (each a "Common Share") and one Common Share purchase warrant (each a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of \$0.90 for a period of 24 months following the closing of the Offering.

The Company intends to use the net proceeds to complete phase one of its Coachella development, finance strategic growth opportunities, and for general and corporate purposes.

In connection with the Offering, the Company paid to eligible finders approximately \$1,129,286 in cash and issued 1,723,814 non-transferable finder's warrants (the "Finder's Warrants"). Each Finder's Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.90 for a period of 24 months following the closing of the Offering.

Five insiders of the Company subscribed for 840,000 units, which constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The issuance to the insider is exempt from the formal valuation and the minority shareholder approval requirements of MI 61-101 as the fair market value of the units issued to or the consideration paid by such person did not exceed 25% of the Company's market capitalization.

All securities issued in connection with the Offering are subject to a four-month holder period expiring July 14, 2018.

On March 16th, 2018, the Company announced that Paul Mann joined the Executive Team of the Company as its new Chief Operating Officer to support its California operations and growth while building its strategic team.

On April 10th, 2018, the Company announced the new appointment of US Cannabis Legal Counsel, Marc J. Ross of Sichenzia Ross Ference Kesner LLP out of NYC. Marc brings a wealth of knowledge specializing in Cannabis companies and teaches the first Law school course on Cannabis at Hofstra University School of Law.

On April 18th, 2018, the Company signs its first binding Letter of Intent ("LOI") to acquire 100% of all outstanding shares of Award-winning California edibles Cannabis company "CaliGold". Under the terms of the deal upon closing; In consideration for all the issued shares of CALIGOLD, the shareholders will receive 7,200,000 shares in the capital of High Hampton (the "High Hampton Shares") with shares being subject to escrow and released on certain dates or conditions (the "Share Exchange").

In connection with the signing of the LOI, High Hampton has agreed to commit at least US\$2.6 million towards CALIGOLD's product development, marketing and sales and working capital for the first 12 months.

High Hampton and CALIGOLD expect to complete the Transaction on or before May 25, 2018 subject to a number of conditions, including, but not limited to: completion of the Share Exchange, approval of the Canadian Securities Exchange, and approval of the boards of directors of both High Hampton and CALIGOLD, as well as, completion of due diligence investigations to the satisfaction of each party, the execution of a Definitive Agreement, and there

being no material adverse change in the business of High Hampton or CALIGOLD prior to completion of the Transaction.

CALIGOLD is crafting America's finest quality cannabis product combining art and science to deliver innovative creations and adhere to important industry standards in consistency, dosing accuracy, and compound formulation. In 2014, Daniel Hood, an artisan chocolatier, noticed a gap in the cannabis chocolate market. By introducing consumers to gourmet ingredients and strain-specific infusions, CALIGOLD took the edible market by surprise. CALIGOLD chocolate won 1st place at HempCon in 2014 for best edible then again at Edibles List Magazine in 2017 for their THCa chocolate. Recently, CALIGOLD has also announced other THC, THCa and CBD products to further diversify its innovative product line.

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 Company's condensed consolidated interim financial statements and notes thereof for the three and six months ending February 28, 2018.

During the three and six months ended February 28, 2018 there were limited operations. The Company had no source of revenue during the period. The Company will operate at a loss unless and until it is able to acquire a revenue-producing asset and/or merge or joint venture with a revenue-producing venture. The Company will require additional financing in order to fund CoachellaGro and cover its general and administrative costs.

CoachellaGro continues to develop the Coachella Property with the intent of receiving a conditional use permit ("Conditional Use Permit") under the Municipality of Coachella Code of Ordinances (the "Coachella Ordinances"). The receipt of the Conditional Use Permit is subject to filing of an engineering report with the City of Coachella setting out sufficient access to municipal water and sewer services, satisfactory environmental report, the satisfactory plan to use of carbon filtration systems and other odor mitigation measures for all cultivation facilities and operations, and compliance with other restrictive ordinances. Upon receipt of the Conditional Use Permit, CoachellaGro will complete its phase 1 and phase 2 engineering reports for the construction of the cultivation facility on the Coachella Property.

CoachellaGro will utilize a leasehold model whereby successful applications will execute a lease agreement with a revenue share calculated as percentage of all revenue generated from the unit, and charged to the user as a monthly service usage fee. Type 3A licensed operators under the MMRSA (cultivators – which represent 95% of the total available occupancy space), will pay CoachellaGro a monthly rent for each 10,000 square foot facility as a base rate. As an added service fee, each Type 3A licensed tenant will be charged a processing fee for the mandatory use of environmental controlled product curation rooms and the vaulted storage in the unit. This processing fee will be calculated as a flat rate in the unit and will be charged to the tenant as a monthly management service fee.

In December 2017 the Company accomplished several steps to de-risk its CoachellaGro operation: a positive Geotechnical investigation and infiltration study on the Company's proposed cannabis cultivation facility ("CoachellaGro") in the Coachella cultivation zone; a favourable Environmental Site Assessment (ESA); comprehensive results from CEQA ("California Environmental Quality Act") as a final stage in the environmental approval process as part of the ongoing application for a Conditional Use Permit where no adverse conditions were found that could negatively impact the CUP application process.

On April 18, 2018, the Company announced that it has entered into a binding Letter of Intent (the “LOI”) with California Gold Inc. (“CALIGOLD”) with the objective to acquire 100% of all outstanding shares of CALIGOLD as an all-share transaction. This acquisition brings to High Hampton a well-established and recognized edibles brand, currently selling 7 multi-strain flavour, award-winning chocolate bars in dispensaries across California generating revenues of approx. \$2M in 2016/2017, as well as, adding 18 years of combined experience to the Company’s management team between Co-founders Daniel Hood and Jonathan Schwartz.

As at February 28, 2018, the Company had current assets of \$4,485,656. In addition, there were current liabilities in the amount of \$928,717 which was comprised of accounts payable of \$803,988, loans payable totaling \$5,527, and \$119,202 owing to management team, directors and former directors.

SELECTED FINANCIAL INFORMATION

(expressed in canadian dollars)	Three Months Ended			Six Months Ended		
	February 28,			February 28,		
	2018	2017	2016	2018	2017	2016
Office and general	68,431	119,570	6,194	107,416	122,761	9,291
Building & Permits	285,791	-	-	458,055	-	-
Advertising and promotion	517,273	-	-	699,882	-	-
Management fees	94,728	27,750	90,000	94,728	27,750	135,000
Professional fees	562,392	204,041	165,000	891,069	204,041	321,000
Communications and travel	101,105	2,537	-	105,898	2,537	-
Interest Income	-	-	-	-	-	-
Foreign Exchange Loss (Gain)	957	(6,500)	-	1,045	(6,500)	-
Debt Settlement Loss (Gain)	-	(75,000)	-	-	(75,000)	-
Interest Expense	107,878	-	-	132,186	-	-
Share-based compensation	-	-	-	-	-	-
Net loss	(1,738,555)	(272,399)	(261,194)	(3,231,814)	(275,591)	(465,291)
Net loss per share - basic and diluted	(0.06)	(0.01)	(0.02)	(0.11)	(0.09)	(0.09)
Cash flow used in operations	(2,644,091)	(410,718)	(56,700)	(2,644,091)	(363,909)	(110,250)
Cash and cash equivalents	3,488,309	120,174	-	3,488,309	247,463	-
Working Capital	3,556,939	252,169	(316,224)	3,556,939	252,169	(316,224)

Three and Six months Ended February 28, 2018 Compared to Three and six Months Ended February 28, 2017

Office and General

	Three Months Ended		Six Months Ended	
	February 28,		February 28,	
	2018	2017	2018	2017
Administration and other expenses	52,687	1,299	73,979	1,205
Regulatory and shareholder filing fees	15,744	12,814	33,437	16,005
Total	\$ 68,431	\$ 14,113	\$ 107,416	\$ 17,210

Administration and other expenses

Administration expenses were significantly higher than the comparable period end due to increase in rent expense as a result of moving office space, an increase in IT expenses due to hardware and software upgrade and an increase in general office supplies.

Regulatory and Shareholder filing fees

There was an increase in regulatory and shareholder filing fees compared to the prior year period due to the closing of a private placement financing that occurred during the six months ended February 28, 2018.

Professional Fees

	Three Months Ended February 28,		Six Months Ended February 28,	
	2018	2017	2018	2017
Consulting fees	419,935	86,500	685,884	86,500
Legal & Audit fees	142,457	117,541	205,185	117,541
Total	\$ 562,392	\$ 204,041	\$ 891,069	\$ 204,041

Consulting fees

Consulting fees consists of management consultants, business development consultants and communication consultants. During the six months ended February 28, 2018 the consulting fees were significantly higher than the comparable period due to an increase in the use of direct consultants and an increase in management fees.

Legal and Audit fees

Legal and audit costs are related to compliance, government relations and other legal costs related to business development initiatives and financings. For the three and six months ended February 28, 2018 legal costs were significantly higher than the comparable prior period due to an increase in the use of general legal services.

Communications and Travel

Communications and travel costs consists of conferences, trade shows, flights, accommodation, vehicle costs and meals. For the three and six months ended February 28, 2018 there was a significant increase in communication and travel costs compared to the prior year comparable period due to an increase in travel by senior management in relation to the development of the Company's Coachella property in the United States, due diligence on potential business acquisitions and an increase in various conferences and trade show attendance.

SUMMARY OF QUARTERLY RESULTS

The table below summarizes the financial results for each of the Company's eight most recently completed quarters. The following financial data has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

The Company had no source of revenue during the six months ended February 28, 2018. The Company will operate at a loss unless and until it is able to acquire a revenue-producing asset and/or merge or joint venture with a revenue-producing venture. The Company will require additional financing in order to fund due diligence expenditures and cover its general and administrative costs.

	2017/2018	2017/2018	2017/2018	2016/2017	2016/17	2016/2017	2016/2017	2015/16
(expressed in canadian dollars)	Dec-Feb	Sept-Nov	Jun-Aug	Mar-May	Dec-Feb	Sept-Nov	Jun-Aug	Mar-May
Expenses	1,629,720	1,468,862	408,834	105,702	350,708	3,191	66,057	75,597
Unrealized gain on debt settlement	-	-	-	-	(75,000)	-	(238,900)	-
Net loss	(1,738,555)	(1,493,257)	(423,855)	(105,702)	(269,208)	(3,191)	167,948	(75,597)
Net loss per share - basic and diluted	(0.11)	(0.04)	(0.13)	0.00	(0.01)	0.00	(0.06)	(0.02)
Cash and cash equivalents	3,488,309	3,262,657	4,978,685	141,416	247,463	127,289	5,480	888
Assets	9,259,912	8,814,878	10,010,988	1,633,859	1,714,333	145,731	23,922	92,297
Working Capital	3,556,939	3,909,926	4,642,676	1,594,422	252,169	(227,064)	(223,873)	(392,825)

SUMMARY OF CASH FLOWS

(expressed in canadian dollars)	Six Months Ended	
	February 28,	
	2018	2017
Cash used in operating activities	(2,644,091)	(363,909)
Cash used in investing activities	-	-
Cash provided by financing activities	1,153,715	484,080
	(1,490,376)	120,171

Operating Activities

For the six months ended February 28, 2018 the Company had a cash outflow of \$2,644,091 compared to a cash outflow of \$363,909 in the prior year comparable period. This increase is due to an increase in corporate expenditures during the year such as consulting fees, professional fees, management fees and regulatory and shareholder filing fees.

Investing Activities

For the six months ended February 28, 2018 and 2017 the Company had nil cash outflows.

Financing Activities

For the six months ended February 28, 2018, cash was provided in financing from the exercise of warrants in the amount of \$1,153,715. For the six months ended February 28, 2017 \$1,967,140 was provided by way of a non-brokered private, this was offset by Company loan payments of \$1,483,060.

LIQUIDITY AND 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 Company's operations. Capital is comprised of the Company's shareholders' equity. As at February 28, 2018, the Company's shareholders' equity was \$8,331,194.

As at February 28, 2018, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business objectives, all of which may cast significant doubt about the Company's ability to continue as a going concern. As at February 28, 2018, the Company's current resources was sufficient to settle its current liabilities. The Company had working capital surplus of \$3.5 million as at the end of the period. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due and to attain future profitable operations. Subsequent to the quarter end the Company completed a private placement financing for gross proceeds of \$19 million. Proceeds from the private placement will be used to fund the development of its Coachella property, potential business acquisitions and for working capital purposes. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. Further, if an equity offering is used to raise required additional capital, it may result in dilution to existing shareholders based on the size of such an offering. Failure to obtain such additional financing could result in delay or indefinite postponement of the development of the Company's business, and may cast significant doubt upon the Company's ability to continue as a going concern.

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.

TRANSACTIONS BETWEEN RELATED PARTIES

During the six months ended February 28, 2018, the Company incurred the following expenses payable as compensation to directors, officers and companies that are controlled by directors of the Company:

Key management personnel compensation

	Six Months Ended February 28,	
	2018	2017
Management fees	94,728	6,425
Professional Fees	133,225	20,655
Stock-based compensation	741,535	-
Total	\$ 969,488	\$ 27,080

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer.

As at February 28, 2018, the Company has a balance payable of \$119,202 to related parties, which is due on demand, unsecured and is non-interest bearing.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Note 3 of the Company's consolidated financial statements for the six months ended February 28, 2018 sets out the Company's significant accounting policies. There have been no changes in the Company's accounting policies during the period.

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's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents consist of cash in bank accounts with reputable financial institutions with strong credit ratings which are closely monitored by management and in trust accounts with the Company's legal representatives.

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 August 31, 2017, the Company had sufficient cash on hand to meet its current liabilities. The Company's accounts payable, due to related parties and loan payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk as its secured convertible debentures bear fixed interest rates.

ii) Foreign Currency Risk:

The Company holds cash and cash equivalents in bank account denominated in United States dollars. Therefore, it is subject to risk in fluctuations in the exchange rate of the United States dollar. However, as at February 28, 2018, the balance in this account was nominal and therefore, any change in the Canadian dollar versus the United States would be insignificant.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of the Company's land in Coachella, California and additional acquisition opportunities. 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 defines capital to include all components of its shareholders' equity.

The Company is not exposed to any externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis 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 during the six months ended February 28, 2018.

Classification of financial instruments

The following is an analysis of the Company's financial assets measured at fair value as at February 28, 2018:

	Level 1	Level 2	Level 3
	\$		
Cash and cash equivalents	3,488,309	\$ -	\$ -

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 has no outstanding commitments.

OUTSTANDING SHARE INFORMATION

As at April 30, 2018		As at February 28, 2018	
Authorized	Unlimited	Authorized	Unlimited
Issued and outstanding shares	68,167,189	Issued and outstanding shares	32,332,196
Options outstanding	2,025,000	Options outstanding	2,025,000
Restricted Share Units outstanding	2,450,000	Restricted Share Units outstanding	2,550,000
Warrants	41,358,763	Warrants	9,348,182
Fully diluted	114,000,952	Fully diluted	46,255,378

MANAGEMENT COMMENTS

The Company complies with its CSE listing agreement. The Company maintains an adequate system of internal accounting and administrative controls to provide reasonable assurance that the Company's financial information is accurate and that the assets correctly accounted for. Current management intends to establish a rigorous system of system of internal accounting and administrative controls to ensure that its reported financial information is relevant, reliable and accurate and that the assets of the Company are correctly accounted for and protected.

Additional information relating to the Company is available on SEDAR at www.sedar.com.