



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2018
AND NOVEMBER 30, 2017
REPORT DATE – JANUARY 29, 2019**

Table of Contents

1.	INTRODUCTION	3
2.	OVERALL PERFORMANCE	4
3.	QUARTERLY REVIEW	4
4.	DISCUSSION OF OPERATIONS.....	6
5.	SELECTED FINANCIAL INFORMATION.....	7
6.	SUMMARY OF QUARTERLY RESULTS AND REVIEW OF THREE MONTHS ENDED NOVEMBER 30, 2018 .	9
7.	SUMMARY OF CASH FLOWS.....	10
8.	LIQUIDITY AND CAPITAL RESOURCES	10
9.	OFF-BALANCE SHEET ARRANGEMENTS	11
10.	TRANSACTIONS BETWEEN RELATED PARTIES	11
11.	CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION	11
12.	FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS	11
13.	CAPITAL MANAGEMENT	12
14.	CLASSIFICATION OF FINANCIAL INSTRUMENTS.....	13
15.	FAIR VALUE	13
16.	COMMITMENTS.....	13
17.	OUTSTANDING SHARE INFORMATION	13
18.	MANAGEMENT COMMENTS	14

1. INTRODUCTION

This management discussion and analysis (“**MD&A**”) of the Company covering the three months ended November 30, 2018 is prepared as of January 28, 2019. This MD&A reviews and summarizes the activities of High Hampton Holdings Corp. (the “Company”) and supports the financial results for the three months ended November 30, 2018 with historical information. This information should be read along with the Company’s interim condensed consolidated financial statements for the three months ended November 30, 2018, 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.

2. 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", on the Frankfurt Exchange under the symbol "FSE: 0HCN" and on the USA: OTC under the symbol HHPHF.

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. However, the application did not proceed to the final stages and the Company pursued other means of entering the industry.

As of November 30, 2018, the Company operated five wholly owned subsidiaries in the US; CoachellGro (Coachella, California), Bravo Distribution/8 Points Management (West Sacramento, California), HS-Airways/CALIGOLD (Sacramento, California), 420 Realty (Cudahy, California) and Mojave Jane (Coachella, California).

Together, these companies provide High Hampton with access to the cultivation, distribution, manufacturing, retail, and processing aspects of the cannabis industry, with reach throughout the lucrative Southern California and Northern California markets. They also give the Company the ability to control its supply chain and manage production from the plant to the consumer, insulating it from fluctuations on the supply and cost side of the business.

All of the wholly owned subsidiaries have either received or applied for local regulatory permits and state licenses. Each subsidiary will operate in full compliance with California's regulatory and tax environments.

The business of the Company is focused on delivering shareholder value by building the brands of the subsidiaries and enabling them to thrive and grow in California. The Company also streamlines common or shared functions across the portfolio that are necessary to each business but separate from their areas of expertise (e.g., financial services, compliance, etc.). Further, the Company continues to evaluate and develop areas of the cannabis market in the US that can build its breadth of products, brands, and distribution points.

3. QUARTERLY REVIEW

New Business Opportunities

During the three months ended November 30, 2018, the Company investigated numerous opportunities to partner with and/or acquire California-based cannabis businesses. During the period, the Company completed the acquisition of Mojave Jane, a licensed California cannabis manufacturing company as announced on November 12,

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.

2018. The acquisition adds near-term revenue and creates notable benefits through synergies within High Hampton's growing portfolio of subsidiaries.

On October 3, 2018, High Hampton announced that it had secured 7 Megawatts of power for its CoachellaGro facility being in receipt of a Will Serve Letter from the Imperial Irrigation District ("IID") with a confirmation to accommodate the CoachellaGro cultivation facilities through an existing transmission line along Harrison Street where the CoachellaGro operations are located.

Board and Management Changes

The Company's needs from executives and directors evolved during the period from an early focus on licensing and acquisitions to a need for operational expertise. As a consequence, the Company's management team and board also changed during the period to reflect those new priorities and needs.

On October 16, 2018, the Company announced the appointment of High Hampton's VP of Corporate Finance & Director, Christian Scovenna as interim CEO and the departure of David E. Argudo from this position, as well as, the termination of Paul Mann as the company's COO. Mr. Argudo remains a consultant for the Company.

On November 15, 2018, High Hampton announced the appointment of appointment of Gary C. Latham, an influential figure in the California cannabis market, to the role of Chief Executive Officer (CEO) for the Company. Mr. Latham is regarded as a leader with his hands-on experience in starting, building and growing middle market to Fortune 500 organizations and spent the last few years exclusively in the California cannabis space; among other things as a key contributor to such success stories as Mojave Jane, LLC ("Mojave Jane").

Additionally, the board of directors also appointed Tom Baird as Chief Operations Officer (COO) to oversee the Company's subsidiaries and build processes that deliver quality, compliance and innovation with a focus on revenue generation and profitability.

On October 22, 2018, Cam Birge, a former CFO and current Senior Consultant of Australis Capital Inc. (AUSA-CSE), joined the board as an independent member.

Significant Events

On November 12, 2018 the Company closed the previously announced acquisition of all the issued and outstanding member interests of Mojave Jane in exchange for 8,974,352 common shares of High Hampton (the "Share Exchange") with the shares being subject to escrow until certain milestone conditions are met, triggering a staggered share release. The Company also committed up to US\$1,100,000 to Mojave Jane for expansion of its manufacturing capacity, marketing, sales and working capital.

Mojave Jane is a California licensed manufacturer of premium cannabis extracts and concentrates for the California markets. Based in Coachella, CA, and licensed for volatile and non-volatile manufacturing, Mojave Jane currently utilizes state of the art CO2 extraction technologies and proven distillation techniques to create products for both recreational and medical cannabis users. Mojave Jane's management team includes an accomplished group of business executives with experience in starting, growing, and selling companies, combined with hands-on commercial cannabis experience. Mojave Jane is a key part of the Coachella Valley's growing cannabis economy and supports distribution throughout California.

The Acquisition will provide High Hampton with the means to produce high value "white label" and branded extracts for distribution across the California markets, produce near-term revenue that will fuel profitability and growth across the High Hampton portfolio, bring experienced executive management and operators to the High Hampton team; and establish a foundation for the full integration of High Hampton's portfolio companies and create the means to achieve substantial growth in the adult use market and the ability to develop cannabis-based medical/therapeutic solutions that make a difference in peoples' lives.

Subsequent to the quarter end, the following significant events occurred:

On December 19, 2018, High Hampton's subsidiary Mojave Jane announced the start of full-scale production at its extraction facility in Coachella for January 2019.

On January 10, 2019, High Hampton announced that its subsidiary 420 Realty received six California State cannabis licenses to operate at its facility located in the City of Cudahy in the following categories: nursery, cultivation processing, cultivation, non-storefront retail, Type 7 manufacturing, distribution.

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 Company's interim condensed consolidated financial statements and notes thereof for the three months ended November 30, 2018.

During the three months ended November 30, 2018, there were limited operations. The Company had limited sources of revenue during the period. The Company will operate at a loss unless and until CALIGOLD and Mojave Jane become fully operational, expected to occur in Q2 of the Company's fiscal year. Additional revenues will be added throughout 2019 as CALIGOLD and Mojave Jane grow, and as Bravo Distribution begins operations. The Company will require additional financing in order to fund CoachellaGro and cover its general and administrative costs.

The operations of the Company, as they evolve throughout 2019 and beyond, will include all aspects of the cannabis business in California.

Starting with cultivation (CoachellaGro), the Company will develop or contract for cultivation capacity that is scaled to market demands for quantities and strains (genetics). Post cultivation, the Company will prepare flower for the retail market and secondary biomass for extraction. .

Mojave Jane will extract material through both volatile and non-volatile processes. Products delivered by Mojave Jane will include, but are not limited to clear distillate, concentrates, and products that deliver those distillates and concentrates to consumers (e.g., vape pens, shatter, etc.). Mojave Jane will continue to go to market with white label and branded products, scaled to market demands. Mojave Jane will ship product and produce revenue in the first calendar quarter of 2019.

CALIGOLD will continue to develop and produce California's highest quality edible products, including chocolate bars, drinking chocolates, chocolate covered edibles (e.g., nuts), and concentrates. CALIGOLD will acquire source materials (distillates) from Mojave Jane and supplemental partners as needed. Important to CALIGOLD's brand values, their products will continue to be strain specific, and will focus first on the qualities and characteristics of the

Management's Discussion and Analysis
For the three months ended November 30, 2018
(Expressed in Canadian Dollars)

cannabis. The finest chocolates will continue to be sourced from Colombia. CALIGOLD will ship product and produce revenue in Q1 2019.

420 Realty will develop the Company's property in Cudahy, California to support manufacturing, distribution, processing, non-storefront retail (delivery), and boutique (R&D) cultivation. From this location, Mojave Jane, CALIGOLD, and Bravo Distribution will serve Southern California markets. This location is scheduled to become operational in Q3 2019.

Distribution will be critical to the Company's enduring position in the California market. Bravo Distribution will operate from its West Sacramento headquarters to serve Northern California, and from the Cudahy location to serve Southern California. Bravo Distribution is the place where all of the Company's wholly owned subsidiaries meet to reach the market. Bravo Distribution anticipates operations and revenue beginning in Q3 2019.

As at November 30, 2018, the Company had current assets of \$ 11,540,814. In addition, there were current liabilities in the amount of \$1,259,612 which was comprised of accounts payable of \$508,307, loans payable totaling \$49,222, deferred rent liability of \$61,081 and \$13,523 owing to management team, directors and former directors and contingent consideration provision for \$627,478 in relation to the acquisition of Mojave Jane

5. SELECTED FINANCIAL INFORMATION

(expressed in canadian dollars)	Three months ended		
	November 30,		
	2018	2017	2016
Office and general	1,488,524	38,985	3,191
Advertising and promotion	323,800	182,609	-
Building, permits and licenses	-	172,263	-
Management fees	148,733	-	-
Professional fees	868,062	328,677	-
Communications and travel	97,546	4,793	-
Amortization	471,693	-	-
Interest Income	(12,976)	-	-
Foreign Exchange Loss (Gain)	(558)	87	-
Interest Expense	-	24,308	-
Share-based compensation	-	741,535	-
Net loss	(3,015,029)	(1,493,257)	(3,191)
Net loss per share - basic and diluted	(0.03)	(0.04)	0.00
Cash flow used in operations	(5,074,962)	(1,734,728)	46,809
Cash and cash equivalents	9,259,533	3,262,657	127,289
Working Capital	10,281,202	3,909,653	(227,064)

Three months ended November 30, 2018 compared to Three months ended November 30, 2017

Office and General

(expressed in Canadian dollars)	Three months ended	
	November 30,	
	2018	2017
Salaries and bonus	1,192,807	-
Insurance	19,396	-
Administration and other expenses	116,262	11,113
Rent	153,435	10,179
Regulatory and shareholder filing fees	6,624	17,693
Total	\$ 1,488,524	\$ 38,985

Salaries

Salaries and bonuses are higher than the comparable period due to the direct hire of salaried employees by the Company and its subsidiaries during the three months ended November 30, 2018. The increased wages and benefit expense are attributable to the increased headcount to support the growth of various aspects of the Company. Included in salaries are the cumulative signing bonuses, of \$634,318, for both the newly appointed CEO and COO.

Administration and other expenses

Administration expenses are significantly higher than the comparable period. This increase was primarily due to increase general office expenses due to the inclusion of all administration and office expenses for the Company's subsidiaries. The overall increase reflects the Company's growth and building of commercial capacity and capability.

Rent

The increased rent expense is primarily attributable to the acquisition of the rental obligations from the 420 Realty, Bravo Distribution, CaliGold and Mojave Jane transactions. The additional office space and facilities supports the Company's development of markets in Canada and the United States.

Regulatory and Shareholder filing fees

Regulatory and shareholder filing fees are lower than the comparable period due to a timing difference.

Advertising and Promotion

During the three months ended November 30, 2018, advertising and promotion was significantly higher than the comparable period due to continued investment in the Company's brand building initiatives and public relations. The Company continues to invest in marketing and market analytics capabilities by hiring talented staff and engaging key consultants.

Management's Discussion and Analysis
For the three months ended November 30, 2018
(Expressed in Canadian Dollars)

Professional Fees

	Three months ended November 30,	
	2018	2017
Consulting fees	605,373	525,571
Legal fees	193,777	153,657
Audit fees	68,911	52,129
Total	\$ 868,062	\$ 731,357

Consulting, Legal and Audit fees

Consulting fees consists of management consultants, business development consultants and communication consultants. Legal and audit fees are related to compliance and other legal costs related to business development initiatives and financings. During the three months ended November 30, 2018 audit, legal and accounting fees related to external financial reporting as well as consulting and legal fees, were significantly higher than the comparable period due to the acquisition of Mojave Jane.

Communications and Travel

Communications and travel costs consists of conferences, trade shows, flights, accommodation, vehicle costs and meals. For three months ended November 30, 2018 there was a significant increase in communication and travel costs due to an increase in travel by senior management and consultants 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.

**6. SUMMARY OF QUARTERLY RESULTS AND REVIEW OF THREE MONTHS ENDED
NOVEMBER 30, 2018**

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 a source of revenue during the three months ended November 30, 2018. The Company will operate at a loss unless and until it is able to start producing revenue from its newly acquired subsidiaries, acquires a revenue-producing asset/business 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.

	2018/2019	2017/2018	2017/2018	2017/2018	2017/2018	2016/2017	2016/2017	2016/17
(expressed in Canadian dollars)	Sept-Nov	Jun-Aug	Mar-May	Dec-Feb	Sept-Nov	Jun-Aug	Mar-May	Dec-Feb
Expenses	3,398,359	3,413,267	2,833,418	1,343,929	1,296,599	408,834	105,702	350,708
Unrealized gain on debt settlement	-	-	-	-	-	-	-	(75,000)
Net loss	(3,655,809)	(3,595,389)	(2,807,824)	(1,452,764)	(1,320,995)	(423,855)	(105,702)	(269,208)
Net loss per share - basic and diluted	(0.03)	0.01	(0.04)	(0.11)	(0.04)	(0.13)	0.00	(0.01)
Cash and cash equivalents	9,259,533	15,078,822	19,638,198	3,488,309	3,262,657	4,978,685	141,416	247,463
Assets	42,582,093	41,707,747	26,859,540	9,259,912	8,814,878	10,010,988	1,633,859	1,714,333
Working Capital	10,281,202	14,429,262	20,839,650	3,556,939	3,909,926	4,642,676	1,594,422	252,169

7. SUMMARY OF CASH FLOWS

(expressed in Canadian dollars)	Three months ended	
	November 30,	
	2018	2017
Cash used in operating activities	(5,074,962)	(1,721,888)
Cash used in investing activities	(792,084)	-
Cash provided by financing activities	47,757	5,860
	(5,819,289)	(1,716,028)

Operating Activities

For the three months ended November 30, 2018 the Company had a cash outflow of \$5,074,962 compared to a cash outflow of \$1,721,888 in the prior comparable period. This increase is due to an increase in corporate expenditures during the period such as consulting fees, professional fees, management fees and regulatory and shareholder filing fees.

Investing Activities

For the three months ended November 30, 2018 and 2017 the Company had cash outflows of \$792,084 and \$Nil due to capital contributions made to acquired subsidiaries and land development costs.

Financing Activities

For the three months ended November 30, 2018, proceeds of \$47,757 from the exercise of warrants and proceeds received from the March 2018 private placement.

8. 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 November 30, 2018, the Company's shareholders' equity was \$38,540,136.

As at November 30, 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 November 30, 2018, the Company's current resources were sufficient to settle its current liabilities. The Company had working capital surplus of \$10.2 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. 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.

9. 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.

10. TRANSACTIONS BETWEEN RELATED PARTIES

During the three months ended three months ended November 30, 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

(expressed in Canadian dollars)	Three months ended	
	2018	2017
		November 30,
Salaries and bonuses	679,877	-
Management fees	148,733	5,425
Professional Fees	-	87,213
Total	\$ 828,610	\$ 92,638

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 November 30, 2018, the Company has a balance payable of \$ 13,523 to related parties, which is due on demand, unsecured and is non-interest bearing.

11. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Note 3 of the Company's interim condensed consolidated financial statements for the three months ended November 30, 2018 sets out the Company's significant accounting policies. There have been no changes in the Company's accounting policies during the period.

12. 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 November 30, 2018, 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 November 30, 2018, the balance in this account was nominal and therefore, any change in the Canadian dollar versus the United States would be insignificant.

13. 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 period ended November 30, 2018.

14. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following is an analysis of the Company's financial assets measured at fair value as at November 30, 2018:

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 9,259,533	\$ -	\$ -

15. 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.

16. COMMITMENTS

The Company's subsidiary Bravo Distribution maintains a lease at a building located at 2545 Boatman Avenue, City of West Sacramento, California 95691. The lease expires on June 31, 2028 and can be extended by one year with an option term.

The Company's subsidiary 420 Realty LLC maintains a lease at a building located at 4311-4315 Santa Ana St., Cudahy, California 90201. The lease expires on July 31, 2027 and can be extended by five years with an option term.

The lease commitments for the above noted leases are as follows:

(expressed in Canadian dollars)

Less than one year	582,809
Two to five years	3,182,477
Greater than five years	2,267,200
	\$ 6,032,486

17. OUTSTANDING SHARE INFORMATION

As at November 30, 2018		As at January 28, 2019	
Authorized	Unlimited	Authorized	Unlimited
Issued and outstanding shares	103,928,316	Issued and outstanding shares	104,078,316
Options outstanding	2,225,000	Options outstanding	2,225,000
Warrants	38,585,362	Warrants	38,435,362
Fully diluted	144,738,678	Fully diluted	144,738,678

18. 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.