SUN VALLEY CLINICS

Management’s Discussion and Analysis of the

“Carve-Out” of Combined Joint Venture Financial Statements

For the Nine Months ended September 30, 2018

(Expressed in United States Dollars)

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") concerns the combined financial results of Sun Valley Clinics ("Sun Valley" or the "Clinics") for the nine months ended September 30, 2018. This MD&A was written to comply with the requirements of National Instrument 52-102 – Continuous Disclosure Obligations. The information in this MD&A should be read in conjunction with the Clinics' unaudited condensed interim combined joint venture financial statements for the three and nine months ended September 30, 2018, as well as the combined joint venture financial statements for the year ended December 31, 2017 and for the period from August 30, 2016 (date of formation) to December 31, 2016. The Clinics' unaudited condensed interim combined joint venture financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

This MD&A is dated November 28, 2018. All monetary amounts, unless otherwise indicated, are expressed in United States dollars. In the opinion of the members, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.

DESCRIPTION OF BUSINESS

Sun Valley consists of Sun Valley Alternative Health Centers NV L.L.C. ("Sun Valley Nevada Clinic"), Sun Valley Alternative Health Centers Mesa L.L.C. ("Sun Valley Mesa Clinic"), Sun Valley Alternative Health Centers NV Tucson L.L.C. ("Sun Valley Tucson Clinic") and Sun Valley Alternative Health Centers Hollywood, L.L.C. ("Sun Valley Hollywood Clinic"). The Clinics provide cannabis certification and medical care to patients in the United States ("US") and operate the four Medical Marijuana Patient Testing clinics in the States of Nevada, Arizona and Florida. The Clinics are established as separate Limited Liability Companies ("LLC"), which are governed by their Operating Agreements and are managed by their owners ("Members"). Profit and loss allocations and cash distributions of each LLC are in accordance with their ownership percentages.

On November 11, 2016, Sun Valley Certification Clinics Holdings, LLC ("Sun Valley Holdings") entered into a Purchase Option Agreement with Green Global Properties Inc. ("Green Global"), a wholly-owned subsidiary of Aura Health Corp. ("Aura"), whereby Green Global has the option to acquire a 30% interest in each of the next ten clinics that Sun Valley Holdings opens in the US for $100,000 per clinic. Provided that Green Global already owns 30% of a clinic, it has a further option within 18 months from the opening date of each clinic to acquire an additional 21% of that clinic for $100,000 and increase its ownership to 51%. The Purchase Option Agreement between Sun Valley Holdings and Green Global on the Clinics is considered to be a joint venture.

GOING CONCERN

The Clinics' ability to continue operations and fund its acquisitions is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

As at September 30, 2018, the Clinics had a working capital deficiency of $267,683 (December 31, 2017 – working capital deficiency of $44,435), had not yet achieved profitable operations and had accumulated losses of $1,090,966 (December 31, 2017 – $680,981). There is no assurance that the Clinics can obtain additional financing and if the Clinics' operations will be profitable, and as such, there is an uncertainty with respect to the Clinics' ability to continue as a going concern.

The Clinics are dependent upon the achievement of profitable operations or the obtaining of additional financing to support operations and to discharge their liabilities as they come due. The unaudited condensed interim combined joint venture financial statements have been prepared on the basis that the Clinics will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Clinics were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Clinics' objective when managing capital is to obtain adequate levels of funding to support their business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of their business. The Clinics raise capital from their Members, as necessary, to meet their needs and take advantage of perceived opportunities and, therefore, do not have a numeric target for their capital structure. There can be no assurance that the Clinics will be able to continue raising equity capital in this manner.

RESULTS OF OPERATIONS

Results of Operations

Revenue from patient examination and the issuance of medical-use certificates is measured based on the consideration or prices charged and collected by the Clinics from its customers, net of discounts and sales taxes. The revenue generated by the Clinics and the service delivery occur at the same time. There is no incremental cost of obtaining a contract and no cost directly related to fulfilling a contract with a customer.

Overall revenue for the nine months ended September 30, 2018 was $555,067, as compared to $249,240 for the nine months ended September 30, 2017, which was a direct result of the Sun Valley Mesa Clinic, the Sun Valley Tucson Clinic and the Sun Valley Hollywood Clinic, being fully in operations after the second quarter in 2017. During the first half of 2017, the Sun Valley Hollywood Clinic was not yet in operations.

Total expenses for the nine months ended September 30, 2018 were $968,978, as compared to $723,266 in the comparative period. The significant increase in operating expenses was also directly related to the new locations which opened after Q1 2017, which increased overall expenses, due to higher payroll and salaries from employment of new staff hired from the new Clinics ($588,541 in 2018 up to September 30, 2018 as compared to $384,198 in 2017) and higher rent and utilities cost ($114,170 in 2018 as compared to $74,813 in 2017). General and administrative expenses incurred from the normal course of operations ($85,316 in 2018 as compared to $99,267 in 2017) and advertising spending in promoting the new Clinics ($55,611 in 2018 as compared to $56,255 in 2017), were more or less in line for the periods in question.

The net and comprehensive loss for the nine months ended September 30, 2018 was $413,911, as compared to $474,026 for the nine months ended September 30, 2017.

(Expressed in United States Dollars)

SELECTED QUARTERLY FINANCIAL INFORMATION

	Three months ended September 30, 2018	Three months ended June 30, 2018	Three months ended March 31, 2018	Three months ended December 31, 2017
	$	$	$	$
Revenue	171,383	201,901	181,783	128,908
Expenses				
Salaries, wages and benefits	196,012	193,838	198,691	189,492
Rent and utilities	37,964	38,449	37,757	38,757
Office expenses	20,357	29,203	35,756	34,059
Management fees	24,000	24,000	24,000	20,179
Advertising expenses	13,411	21,757	20,443	21,678
Depreciation	10,647	10,835	11,328	7,029
Bank fees and interest expense	3,280	4,098	3,681	3,116
Professional fees	3,393	5,246	832	4,494
Total Expenses	309,064	327,426	332,488	318,804
Net Loss and Comprehensive Loss	(137,681)	(125,525)	(150,705)	(189,896)

	Three months ended September 30, 2017	Three months ended June 30, 2017	Three months ended March 31, 2017	Period from August 30, 2016 (date of formation) to December 31, 2016
	$	$	$	$
Revenue	111,138	86,127	51,975	31,280
Expenses				
Salaries, wages and benefits	197,526	146,660	40,012	43,195
Rent and utilities	51,968	9,334	13,511	5,129
Office expenses	63,979	23,834	11,454	24,465
Management fees	-	33,821	6,000	6,667
Advertising expenses	37,595	14,674	3,986	4,117
Depreciation	2,568	13,257	697	697
Bank fees and interest expense	3,387	817	980	619
Professional fees	44,710	2,364	132	1,450
Total Expenses	401,733	244,761	76,772	86,339
Net Loss and Comprehensive Loss	(290,595)	(158,634)	(24,797)	(55,059)

LIQUIDITY AND CAPITAL RESOURCES

The Clinics manage their capital structure and make adjustments to them, based on the funds available to the Clinics, in order to support the development of their planned business activities. The Board of Managers does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Clinics will spend their existing working capital and raise additional funds as needed. Management reviews their capital management approach on an ongoing basis and believes that this approach, given the relative size of the Clinics, are reasonable.

Cash held by the Clinics' operations as at September 30, 2018 was $10,466, as compared to $26,044 as at December 31, 2017.

The Clinics consider their capital to be members' equity, which is comprised of members' units issued and accumulated deficit, which as at September 30, 2018 was a deficiency amount of $162,784 (December 31, 2017 – equity of $86,140).

The Clinics' objective when managing capital is to obtain adequate levels of funding to support their business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of their business. The Clinics raise capital from their Members, as necessary, to meet their needs and take advantage of perceived opportunities and, therefore, do not have a numeric target for their capital structure. There can be no assurance that the Clinics will be able to continue raising equity capital in this manner.

The Clinics are not subject to externally imposed capital requirements.

OTHER FINANCIAL MATTERS

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Sun Valley Clinics had no off-balance sheet arrangements.

Proposed Transactions

Other than information disclosed in this MD&A, the Sun Valley Clinics had no proposed transactions.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the unaudited condensed interim combined joint venture financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the combined joint venture financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

Areas where significant judgment is involved in making estimates include the forecasting of future cash flows for assessing the going concern assumption.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets

All financial assets are initially classified as financial assets at fair value through profit or loss (“FVTPL”), financial assets at fair value through other comprehensive income (loss) and financial assets at amortized costs, as appropriate.

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through profit or loss. As at September 30, 2018, the Clinics’ cash is classified as FVTPL.

Financial assets classified as loans and receivables are measured at amortized cost. The Clinics’ due from related party and deposits are classified as loans and receivables.

Financial liabilities

Financial liabilities are classified as financial liabilities at FVTP or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company’s financial liabilities consist of accounts payable and accrued liabilities and unearned interest revenue.

Other financial liabilities

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest, with interest recognized on an effective yield basis.

Fair value hierarchy

The Clinics classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2018 and December 31, 2017, the Clinics did not have any financial instruments measured at fair value after initial recognition.

Property and equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight-line basis as follows:

- Computer equipment: 5 years
- Furniture and fixtures: 7 years
- Leaseholds improvements: 15 years (Sun Valley Nevada Clinic) and lease term of 39 years; 5 years (Sun Valley Mesa Clinic) and lease term of 3 years; and 5.5 years (Sun Valley Tucson Clinic) and lease term of 3 years, whichever is shorter.

An asset's residual value, useful life and depreciation method are reviewed at each reporting date and adjusted if appropriate. When parts of an item of equipment have different useful lives, the components are accounted for as separate items of equipment.

Revenue recognition

Revenue from patient examination and the issuance of medical-use certificates is measured based on the consideration or prices charged and collected by the Clinics from its customers, net of discounts and sales taxes. The revenue generated by the Clinics and the service delivery occur at the same time. There is no incremental cost of obtaining a contract and no cost directly related to fulfilling a contract with a customer. The adoption of IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") has no significant impact to the Clinics' unaudited condensed interim combined joint venture financial statements.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Provisions

Provisions are recognized when the Clinics have a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provisions due to passage of time is recognized as interest expense.

As at September 30, 2018 and December 31, 2017, the Clinics had no material provisions.

Income taxes

The Clinics file as a partnership and thus are not considered taxable entities. The results of its operations are included in the tax returns of the Partners. Accordingly, income taxes are not reflected in the unaudited condensed interim combined joint venture financial statements.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

New standards and interpretations

The Clinics had adopted the following new standards, effective January 1, 2018. These changes were made in accordance with the applicable transitional provisions. There was no material impact on the Clinics' unaudited condensed interim combined joint venture financial statements:

- IFRS 9 – Financial Instruments ("IFRS 9") was issued in final form in July 2014 by the IASB and replaces IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions.

(Expressed in United States Dollars)

- IFRS 15 was issued by IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers.

Recent accounting pronouncements

The IASB and the IFRIC have issued certain pronouncements that are mandatory for accounting periods commencing on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Clinics and have been excluded from the list below.

- IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases ("IAS 17"). Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

  The Clinics had not early adopted and are still assessing the impact of the adoption of this standard to the unaudited condensed interim combined joint venture financial statements.

OUTSTANDING SHARE DATA

Based on the Operating Agreement between Green Global and Sun Valley Holdings, the Clinics have total authorized members' units of 2,040.90 each or total of 8,163.60 as at September 30, 2018 (December 31, 2017 – 2,040.90 each). As at September 30, 2018, the Clinics had a total of 5,714.40 members' units (December 31, 2017 – 5,714.40 units) issued and outstanding.

The following outlines the members' units that are issued and outstanding for all clinics:

	September 30, 2018		September 30, 2017	
	# *	$	#	$
Balance, beginning of year	5,714	767,121	1,000	100,000
Members' contributions	-	161,061	-	-
New units issued from the initial completion of 30% interest – Green Global	-	-	3,000	300,000
Balance, end of period	**5,714**	**928,182**	**4,000**	**400,000**

*Rounded to the nearest number.

On November 17, 2016, Green Global completed its acquisition of a 30% interest in the Sun Valley Nevada Clinic for $100,000 under the terms of the option agreement.

On December 30, 2016, Green Global paid a non-refundable deposit of $50,000 for the acquisition of a 15% interest in the Sun Valley Mesa Clinic under the terms of the option agreement. On March 7, 2017, Green Global completed its acquisition of a 30% interest in the Sun Valley Mesa Clinic by paying the remaining $50,000 of acquisition cost under the terms of the option agreement.

On March 14, 2017, Green Global advanced an initial $50,000 deposit for a 15% interest in the Sun Valley Tucson Clinic. On April 18, 2017, Green Global completed its acquisition of a 30% interest in the Sun Valley Tucson Clinic under the terms of the option agreement by making a payment of $50,000.

On July 24, 2017, Green Global advanced an initial $50,000 deposit for a 15% interest in the Sun Valley Hollywood Clinic. On August 2, 2017, the Green Global advanced an additional $50,000 and completed its acquisition of a 30% interest in the Sun Valley Hollywood Clinic under the terms of the option agreement.

On December 28, 2017, each clinic authorized the issuance of 612.30 new units, as consideration for the capital contributed by Green Global and Sun Valley Holdings for total proceeds of $110,094 and $257,027, respectively, in a manner consistent with the Operating Agreement between Green Global and Sun Valley Holdings.

RELATED PARTY TRANSACTIONS

Key management includes the Clinics' Board of Managers who has authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

The Clinics entered into management agreements with Sun Valley Alternative Health Centers L.L.C. The Clinics and Sun Valley Alternative Health Centers L.L.C. are parties under common control. The Clinics will pay Sun Valley Alternative Health Centers L.L.C. a monthly management fee in exchange for services provided to the Clinics, equal to $2,000 per clinic for a total of $8,000 per month. For the nine months ended September 30, 2018, the management fee expensed to Sun Valley Alternative Health Centers L.L.C. was $72,000 (2017 – $39,821). As at September 30, 2018, the amount due to Sun Valley Alternative Health Centers L.L.C., including total accrued management fees of $138,667 (December 31, 2017 – $66,667), was $270,060 (December 31, 2017 – $109,559).

Total key management compensation paid to the Board of Managers amounts to $nil for the nine months ended September 30, 2018 (2017 – $nil).

As at December 31, 2017, the Clinics had a receivable from Sun Valley Holdings for a total amount of $49,333, representing funds that Green Global advanced under the terms of the Option Agreement for the issuance of the new units on December 28, 2017. During the nine months ended September 30, 2018, these funds had been transferred to the Clinics.

COMMITMENTS AND CONTINGENCIES

Stock Options

There are no Stock Options outstanding for the Sun Valley Clinics.

Commitments

The Clinics entered into lease agreements for the premises that the Clinics currently operate for the following terms:

(Expressed in United States Dollars)

Location	Year opened	Term	Option to renew
Nevada	2016	3 years and 1 month	None
Mesa	2017	5 years	5 years
Tucson	2017	5 years and 5 months	5 years
Florida	2017	5 years	5 years

As at September 30, 2018, the future minimum lease payments under the non-cancellable operating leases are payable as follows:

2019	$	85,764
2020		76,881
2021		79,374
2022		62,549
	$	**304,568**

Contingency

On August 25, 2017, the City of Fort Lauderdale (the "City") initiated a code enforcement case, Case No. CE17082150 (the "Case") against 3267 Davie Boulevard (the "Property") based upon an unspecified complaint. The Property is leased by the Sun Valley Hollywood Clinic. On November 8, 2017, the City conducted an initial inspection of the Property and advised the onsite manager of the Sun Valley Hollywood Clinic that a Business Tax Receipt ("BTR") is required before any business can operate. A BTR is a tax and is not regulatory in nature. City records also indicate that the Property did not have sign permits as required.

On December 6, 2017, the Sun Valley Hollywood Clinic sent a letter of response to the Code Enforcement Division regarding the Case. As at December 31, 2017, the City considered the Case open and was pursuing it; however, at that time the City had not issued a formal Notice of Violation which could result in per diem fines.

As at December 31, 2017, the City indicated it believed it had claims against the Sun Valley Hollywood Clinic for violation of Code §§15-39 (operating without a BTR), 47-22.3 (window signs exceeding code limitations), 47-22.9 (unpermitted signs), and 47-18.46 (operation of a medical cannabis dispensing facility). Based upon Management's analysis of Code provisions and representations made by Sun Valley Hollywood Clinic, although no assurance can be given, Management believes that it has viable defenses to any claim for violation of Code §47-18.46.

On May 17, 2018, the Sun Valley Hollywood Clinic obtained its business license and the sign permits. As these permits are approved, the Case against the Sun Valley Hollywood Clinic had been closed.

FINANCIAL RISK FACTORS

The Sun Valley Clinics are exposed to credit risk and liquidity risk. The Clinics' primary risk management objective is to protect assets, earnings and cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure that the Sun Valley Clinics' risks and the related exposure are consistent with its business objectives and risk tolerance.

Fair value

The carrying amount of cash, due from/to related parties, accounts payables and accrued liabilities approximate fair value due to the relative short maturity of these financial instruments. 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.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Clinics' credit risks are primarily attributable to cash and deposits. Cash is held with reputable financial institutions in the US. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity risk

Liquidity risk is the risk that the Clinics will not have sufficient cash resources to meet its financial obligations as they come due. The Clinics currently generate cash flow primarily from financing activities. As at September 30, 2018, the Clinics had combined current assets of $10,466 (December 31, 2017 – $75,377) to settle combined current liabilities of $278,149 (December 31, 2017 – $119,812). The current liabilities are due within one year of the reporting date.

Foreign currency risk

Sun Valley Clinics operate in US Dollars and have no foreign operations or reporting subsidiaries.

RISK FACTORS

There are numerous and various risks, known and unknown, that may prevent the Sun Valley Clinics from achieving its goals. It is believed that these are the factors that could adversely affect the Sun Valley Clinics' business, financial condition or results of operation. Refer to the Listing Statement for a summary of risks applicable to the business of the Clinics.

DISCLOSURE OF INTERNAL CONTROSL OVER FINANCIAL REPORTING

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Sun Valley Clinics, as of the date of and for the periods presented.

In contrast to non-venture issuers this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Sun Valley Clinics in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Sun Valley Clinics to design and implement on a cost effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Sun Valley Clinics to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include, without limitation: the intention to complete the listing; the description of the Sun Valley Clinics that assumes completion of the listing of its Common Shares; the intention to grow the business and operations of the Sun Valley Clinics; anticipated timing for the ability of the Sun Valley Clinics to agree to terms of royalty agreements with Licensed Operators; expected growth in the number of users of Medical Marijuana in Canada; the risk of foreign exchange rate fluctuations, the ability of the Sun Valley Clinics to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Sun Valley Clinics. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Sun Valley Clinics should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained herein are made as of the date hereof and the Sun Valley Clinics undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.