

INTEGRATED CANNABIS COMPANY, INC.

(formerly CNRP Mining Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

THREE AND SIX MONTHS ENDED

MAY 31, 2018

(Unaudited - Expressed in Canadian Dollars)

*Set out below is a review of the activities, results of operations and financial condition of Integrated Cannabis Company, Inc. (the "Company") for the period ended May 31, 2018. The discussion below should be read in conjunction with the Company's audited consolidated financial statements for the period ended November 30, 2017. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at **September 28, 2018**. The Company is a reporting issuer in the provinces British Columbia, Alberta and Ontario and is listed on the Canadian Securities Exchange as ICAN. Additional information related to the Company, is available on SEDAR at www.sedar.com.*

1. BACKGROUND

Integrated Cannabis Company Inc. (formerly 1127466 B.C. Ltd.) ("the Company") was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on July 20, 2017. The Company's registered head office address is 905 – 1600M Beach Avenue, Vancouver, British Columbia.

The Company through its wholly owned subsidiary XSPRAYS Industries Inc. owns the worldwide exclusive rights to market and sell as dietary supplements for nonmedical use only cannabinoid and cannabis-infused sprays. In addition, the company has a non-exclusive license to market and sell as dietary supplements for non-medical use of non-cannabis infused sprays.

The Company does not generate revenue from operations. The Company incurred a net loss of \$5,267,949 (2017 - \$4,850) from the six months ended May 31, 2018, and, as of that date, the Company's deficit was \$15,286,064 (2017 - \$4,850). The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the ability to find, acquire and develop various businesses with growth potential, its ability to obtain the necessary financing to carry out this strategy. These consolidated financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

Reverse Takeover

On October 25, 2017, the Company and 1127466 B.C. Ltd. signed a share exchange agreement whereby the Company would acquire all of the issued and outstanding shares of the 1127466 B.C. Ltd. which holds, through a wholly owned subsidiary, a world-wide, exclusive license for X-SPRAYS – a brand of life-enhancement products administered via an optimal oral spray delivery system. Pursuant to the terms of the agreement, Integrated Cannabis issued an aggregate of 16,500,000 common shares in the capital of the Company (the "Payment Shares") at a deemed price of CAD\$0.30 per Payment Share. Also, as part of the transaction the Company also issued a finder's fee of 1,650,000 common shares in the capital of the Company at a deemed price of CAD\$0.30 per share.

In accordance with IFRS 3, Business Combinations, the substance of the transaction was an acquisition of an operating company with no developed business. The transaction does not constitute a business combination since Target does not meet the definition of a business under the standard. As a result, under IFRS the transaction is accounted for as a reverse asset acquisition and takeover ("RTO").

As 1127466 B.C. Ltd. is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on July 20, 2017 are included in the condensed consolidated interim financial statements at their historical carrying value. The condensed consolidated interim financial statements are a continuation of 1127466 B.C. Ltd. in accordance with IFRS 3, Business Combinations.

2. COMPANY HIGHLIGHTS

The Company does not generate revenue from operations. The Company incurred a net loss of \$5,267,949 for the six month period ended May 31, 2018, and, as of that date, the Company's deficit was \$15,286,064.

3. SELECTED FINANCIAL INFORMATION

3.1 *Results of Operations for the six-month period ended May 31, 2018*

- The company incurred filing and listing fees of \$25,820 principally due to the acquisition of 1127466 B.C. Ltd.
- The company incurred office and general 21,538 due to the acquisition as well
- A listing fee of \$5,114,999 was incurred as well, which reflects the difference between the estimated fair value of the 1127466 B.C. LTD. shares to the Company's shareholders less the net fair market value of the assets of the Company acquired.

3.2 *Cash flows for the for the six-month period ended May 31, 2018*

- The Company incurred cash outflows of \$10,514,937 from operating activities during the period due to the RTO.
- Cash outflows from financing activities were offset by the RTO investment.

3.3 *Financial position*

- The Company had a cash balance of \$2,702,300 at period end.
- Accounts payable and accrued liabilities for the period were \$28,915.
- The Company had a net loss and comprehensive loss for the period of \$5,267,949.

4. LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2018 the Company had working capital of \$4,023,066 including \$2,702,300 of cash.

The Company's continued development is contingent upon its ability to raise sufficient financing both in the short and long-term. There are no guarantees that additional sources of funding will be available to the Company; however, management is committed to pursuing all possible sources of financing in order to execute its business plan.

5. OFF BALANCE SHEET ARRANGEMENTS

At May 31, 2018, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

6. TRANSACTION

The Company has completed the acquisition of all of the issued and outstanding shares of 1127466 B.C. Ltd. ("**X-SPRAYS**"), which holds, through a wholly-owned subsidiary, a world-wide exclusive license for X-SPRAYS— a brand of state- of-the-art life-enhancement products administered via an optimal oral spray delivery system, a private British Columbia company, pursuant to the terms of a share exchange agreement dated October 24, 2017, as amended, (the "**Share Exchange Agreement**"). The Transaction constitutes a "fundamental change" for the Company pursuant to the policies of the Canadian Securities Exchange (the "**CSE**").

In consideration for the Transaction, the Company issued 16,500,000 common shares in the capital of CNRP (the "**Payment Shares**") to the holders of X-SPRAYS securities at a deemed price of \$0.30 per Payment Share. In addition, up to 28,000,000 CNRP shares will be issuable upon certain commercial milestones being achieved by X-SPRAYS.

In connection with the Transaction, the Company also issued 1,650,000 common shares to an arm's length third party at a deemed price of \$0.30 per Common Share as a finder's fee.

7. SUBSEQUENT EVENTS

In connection with the closing of the acquisition, the Company announces that certain of its previous directors and officers have resigned. The Company announces that the board of directors now consists of John Knapp, Clive Spray, Sothi Thillairajah and Nishal Kumar. Management now consists of John Knapp (CEO), Clive Spray (Chief Scientific and Operations Officer) and Eugene Beukman (CFO and Corporate Secretary).

On June 7, 2018 the Company announced that its common shares would resume trading on the CSE on June 8, 2018 under the symbol "ICAN".

On September 20, the Company announced the completion of a Letter of Intent (LOI) to distribute X-SPRAYS™ products throughout the clinics and doctors' offices of Empower Clinics Inc., a leading owner and operator of medical cannabis and wellness clinics in the United States (US).

On September 27, 2018, the Company announce the completion of a Letter Agreement to collaborate on X-SPRAYS™ products for the Canadian market with GTEC Holdings Ltd., a Canadian License Producer under Health Canada's Access to Cannabis for Medical Purposes Regulations (ACMPR).

8. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period ended May 31, 2018.

9. CRITICAL ACCOUNTING ESTIMATES

(a) Cash and cash equivalents

Cash in the statements of financial position is comprised of cash held at a major financial institution.

(b) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- (i) Fair value through profit or loss - This category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. The Company has classified cash as fair value through profit or loss.
- (ii) Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has classified loan receivables as loans and receivables.
- (iii) Held-to-maturity investments – These assets are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

- (iv) Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss. The Company does not have any assets classified as available-for-sale assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- (i) Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.
- (ii) Other financial liabilities - This category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

(c) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(d) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(e) Significant accounting judgments and estimates

The preparation of consolidated 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 consolidated financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions

to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

- (f) Effective for annual periods beginning on or after December 1, 2017:

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The Company’s financial instruments consist of amounts receivable. The fair values of financial instruments other than cash approximate their carrying values because of their current nature.

Credit Risk

The Company’s cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Liquidity Risk

The Company’s ability to continue as a going concern is dependent on management’s ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Foreign Exchange Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

11. RISK FACTORS

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

Regulatory Risks

The Company will invest in businesses that are directly or indirectly engaged in the medical and adult-use marijuana industry in Canada. The activities of the Company will be subject to intense regulation by governmental authorities. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Company.

Financial Condition, Liquidity, and Requirements Outlook

The Company's cash balance and working capital position are not adequate to sustain the Company's existing operations. If the Company is unable to continue to raise capital from issuances of shares, loans or by other means, its cash and working capital position could be affected.

Industry Growth

There can be no assurance that the market for the Company's existing products will continue to grow or that the Company will be successful in independently establishing markets for its products. If the markets in which the Company's products compete fail to grow or grow more slowly than the Company currently anticipates, or if the Company is unable to establish markets for its new products, the Company's operating results and financial condition could be adversely affected.

Economic Slowdown

From time to time markets have witnessed the weakening of global macro-economic conditions. This weakness could have adverse effects on the investments of the Company's ability to continue as a going concern.

12. INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements, including statements regarding the business and anticipated future financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company's actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, market price, continued availability of capital financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Investors are also directed to consider other risks and uncertainties discussed in the Company's required financial statements and filings.