TRUE LEAF MEDICINE INTERNATIONAL LTD.
(the "*Company*")

February 29, 2016

MANAGEMENT DISCUSSION & ANALYSIS

This Management's Discussion & Analysis ("*MD&A*") has been prepared by management and should be read in conjunction with the interim financial statements of the Company together with the related notes thereto for the nine months ended December 31, 2015, as well as our audited consolidated financial statements and accompanying MD&A for the year ended March 31, 2015. The financial statements have been prepared in accordance with International Financial Reporting Standards ("*IFRS*") as issued by the International Accounting Standards Board ("*IASB*"). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements related to industry scope and state, production, revenue, expenses, plans, development schedules and similar items that represent forward-looking statements. Such statements are based on assumptions and estimates related to future economic and market conditions. Such statements include declarations regarding management's intent, belief or current expectations. Certain statements contained herein may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties; actual results may differ materially from those indicated by such forward-looking statements. Some of the important factors, but certainly not all, that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) that the information is of a preliminary nature and may be subject to further adjustment , (ii) the possible unavailability of financing, (iii) start-up risks, (iv) general operating risks, (v) dependence on third parties, (vi) changes in government regulation, (vii) the effects of competition, (viii) dependence on senior management, (ix) impact of Canadian economic conditions, and (x) fluctuations in currency exchange rates and interest rates.

OVERVIEW

The Company was incorporated on June 6, 2014 under the *Business Corporations Act* (British Columbia) ("*BCBCA*") and has three wholly-owned subsidiaries, being True Leaf Investments Corp. ("*TL Investments*"), which was incorporated on March 26, 2014 under the BCBCA, and True Leaf Medicine Inc. ("*TL Medicine*"), which was incorporated on July 4, 2013 under the BCBCA and is wholly-owned by TL Investments, and True Leaf Pet Inc. ("*TL Pet*"), which was incorporated on November 18, 2015 under the BCBCA. The Company's registered office is Suite 1820, 925 West Georgia Street, Vancouver, BC V6C 3L2.

On May 23, 2014, TL Investments completed a Share Exchange Agreement (the "*Share Exchange Agreement*") with TL Medicine in which the TL Investments issued 25,000,000 common shares valued at $750,000 for all of the outstanding common shares of TL Medicine.

In June 2014, the Company entered into an Arrangement Agreement with Noor Energy Corporation (“*Noor*”), which was the former parent of the Company, and TL Investments for the purpose of becoming a publicly traded entity by way of a plan of arrangement (the “*Arrangement*”).

Pursuant to the terms of the Arrangement:

- TL Investments purchased all the issued and outstanding shares of the Company (the “*Purchase Shares*”) from Noor for consideration of $20,000;

- The Company acquired all the outstanding shares of the TL Investments from all TL Investments shareholders through a 1-for-1 share exchange;

- Noor issued 5,000 of its common shares to the Company and received in exchange 355,000 common shares of the Company (the “*Distribution Shares*”);

- The Distribution Shares were distributed as dividends to Noor’s shareholders on a pro rata basis; and

- The Purchase Shares were then cancelled.

On February 2, 2015, the Company executed the Arrangement and on February 9, 2015, the Company began trading on the Canadian Securities Exchange (“*CSE*”) under the symbol “MJ”. In March 2015, the Company announced that it had also commenced trading on German stock exchanges in Frankfurt, Munich and Berlin under the symbol “TLA”.

As a result of the Arrangement, the former shareholders of TL Investments for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As TL Investments is deemed to be the acquirer for accounting purposes, its assets and liabilities and operations since incorporation on March 26, 2014 are included in the consolidated financial statements at their historical carrying value. The consolidated financial statements are a continuation of TL Investments in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from June 9, 2014 onwards.

The Company, through TL Medicine, is seeking to become a licensed producer of medical marijuana under Canada's *Marihuana for Medical Purposes Regulations* (“*MMPR*”) program administered by Health Canada. As at September 30, 2015, the Company does not have a license with the MMPR and no products are in commercial production or use. The Company will be required to satisfy additional obligations in order to qualify including the completion of a compliant facility on a parcel of leased land in Lumby, British Columbia. There is a significant risk that the Company will not receive an MMPR license, thus rendering the Company unable to proceed with its business model. The Company continues to work diligently to comply with all of the requirements of Health Canada.

As the Company awaits approval of its license application from Health Canada it is looking at new opportunities with hemp-based nutrition for pets. The Company has entered the Canadian market through the new incorporation TL Pet and is planning to enter the US and European pet product market with a product line consisting of innovative hemp-based functional chews and supplemental products for pets in early 2016.

SUMMARY OF QUARTERLY RESULTS

As TL Investments is deemed to be the acquirer for accounting purposes, its assets and liabilities and operations since incorporation on March 26, 2014 are included in the consolidated financial statements at their historical carrying value. The consolidated financial statements are a continuation of TL Investments in accordance with IFRS 3, Business Combinations. The Company's results of operations are included from June 9, 2014 onwards.

Description	**Three month ended Dec. 31, 2015 $**	**Three months ended Sept. 30, 2015 $**	**Three months ended Jun 30, 2015 $**	**Three months ended Mar 31, 2015 $**	**Three months ended Dec 31, 2014 $**	**Three Months ended Sept 30, 2014 $**	**Period ended June 30, 2014 $**
Net Revenues	*110*	*0*	*0*	*0*	*0*	*0*	*0*
Income (loss) before other items							
Total	*(206,730)*	*(236,391)*	*(342,761)*	*(185,874)*	*(125,990)*	*(277,086)*	*(205,238)*
Net and comprehensive income (loss) for period							
Total	*(206,730)*	*(236,391)*	*(342,762)*	*(236,089)*	*(125,990)*	*(277,086)*	*(1,083,578)*
Per share	*(0.01)*	*(0.01)*	*(0.01)*	*(0.01)*	*(0.00)*	*(0.01)*	*(0.07)*

PLAN OF OPERATIONS

True Leaf Medicine International Ltd., through its subsidiary True Leaf Medicine Inc. originally filed an application under Health Canada's Marihuana for Medicinal Purposes Regulations (MMPR) to become a Canadian licensed producer and received a 'Ready to Build' approval for its first licensing application in January 2014, however, issues arose with the facility location and local zoning. In March 2014, the Company secured a second location, and on April 8, 2014, the Company submitted a second licensing application. It has now passed through the preliminary and enhanced screening process of Health Canada's review and is currently awaiting security clearance approval.

The Company, through it's True Leaf Pet Inc. division is now entering the $60 billion pet industry with a line of innovative hemp-focused pet chews and supplements marketed through the specialty pet, health and veterinary channels in Canada, the US and Europe.

The Company's short term business objectives for the next 12 months are:

1. Successfully complete a $3 million private placement to further the companies pet product marketing efforts in Canada, plus develop additional product lines for the US and European specialty pet product markets.

2. Prepare the Company for the 'pre-license inspection' stage of Health Canada's MMPR license producer approval process, by incorporating additional resources and personnel to insure the Company is ultimately successful with its application.

The Company's long term business objectives are:

1. **1.** For the natural pet market:
    - a. Increase Canadian distribution and secure US and European distribution for its line of hemp-based functional chews, supplements, dental and nutritional products for the specialty pet store market.
    - b. Successfully develop, test and market a line of hemp-focused supplements to the veterinary markets in Canada, the US and Europe.
    - c. Develop an online presence for the company's product lines with an e-commerce, 'direct-to-consumer' platform.
    - d. Develop additional markets for the companies brand and formulations.

2. **2.** For the medical marijuana market:

    - a. Obtain 'pre-license inspection' approval from Health Canada to be a licensed producer of medical marijuana.
    - b. Complete a $2 million financing for the construction of the medical marijuana production facilities at the Lumby, BC location.
    - c Achieve 'growing' and 'selling' approval for medical marijuana as a MMPR licensed producer.
    - d Successfully market, sell and distribute medical marijuana to the Canadian marketplace.
    - e. Increase its patient customer base annually in order to build out additional production capacity at its Lumby, BC location

In May 2015, the Company entered into an agreement with Wodema Industries Ltd. ("*Wodema*") to produce the Company's proprietary hemp-based supplements and treats for pets. The agreement gave the Company proprietary rights for any production utilizing hemp, cannabis, or its derivatives at Wodema.

Wodema is a manufacturer of treats for the pet industry, doing business in Kelowna, BC Canada since 1996. Initial product formulations were produced and the product line was launched to the Canadian market at the PIJAC Pet Industry Show in Toronto on September 20th 2015. Product concepts were also presented at the International Cannabis Business Exhibition in Los Angeles on September 16th, 2015.

Due to production and capacity issues at the Wodema facility, the Company moved its production of the soft chews to another pet product co-manufacturer in Aurora, Ontario called 'Buddy's Kitchen' early in the fall of 2015. Buddy's Kitchen was able to manufacture the Company's product line to specifications and the complete product line was manufactured and transitioned into Canadian distribution early in December of 2015. Buddy's operates out of a new facility that is also approved for US export, this gives the Company the ability to use Buddy's plant to service the US market.

The Company has also commenced trial runs at US co-pack manufacturing facilities for its hemp-based pet chews in order to secure additional capacity to meet the demands of the US market. It has also secured CenterPoint Warehousing ("*CenterPoint*") in Kansas City, Missouri as its exclusive order fulfillment and distribution center. CenterPoint is a full service provider of warehousing, logistics, order-fulfillment and distribution services, serving the pet products industry for over 15 years.

The Company plans to officially launch the new product line to the US market at the Global Pet Expo in Orlando in March of 2016 and commence shipping shortly thereafter. Additional plans to secure partner manufacturers for the European market are underway and the Company intends to present its European line at the Interzoo Pet Exhibition in May at the Messe in Nuremberg Germany.

RESULTS OF OPERATIONS

Nine Months ended December31, 2015 and Period ended December 31, 2014

The Company incurred a loss and comprehensive loss of $795,026 for the nine months ended December 31, 2015, compared to $1,486,654 for the period ended December 31, 2014. Some of the significant items comprising the loss for the nine months ended December 31, 2015 were accounting and legal of $106,622 (2014 - $283,874), administrative and office of $129,790(2014 - $145,947), consulting fees of $132,597 (2014 - $123,243), advertising and marketing of $168,068(2014 - $33,482), management fees of $45,000 (2014 - $Nil), research of $8,022 (2014 - $21,768) and share based compensation of $205,846 (2014 - $Nil). The higher loss for the period ended December 31, 2014 resulted from increased accounting and legal of $167,661 related to the Company's establishment of operations and listing on the CSE, which were offset by increased advertising and marketing during the nine months ended December 31, 2015 of $134,586 and non-cash share based compensation of $205,846 (2014 - $Nil).

In addition, during the period ended December 31, 2014, the Company incurred transaction costs totaling $878,340 with respect to the Share Exchange Agreement.

The Company does not have any employees; all of its services are carried out by the directors and officers or by consultants retained on an as needed basis.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2015, the Company had cash of $90,830 and a working capital deficit of $353,442, compared to cash of $42,585 and working capital deficit of $105,635 for the period ended December 31, 2015.

During the nine months ended December 31, 2015, the Company did not raise any funds from the issuance of equity securities.

On October 30, 2015, the Company entered into a convertible debt agreement with First Pacific Enterprises Inc. ("First Pacific"), pursuant to which First Pacific loaned the Company a total of $60,000. First Pacific is a company controlled by the Company's CEO. The loan is due on April 30, 2016 and bears interest at a rate of 10% per annum. First Pacific has the right to convert all or any portion of the loan and interest into units of the Company at a conversion price of $0.105 per unit. Each unit would consist of one common share of the Company and one half of one share purchase warrant, with each full warrant being exercisable into an additional common share of the Company at a price of $0.15 for a period of two years.
During the nine month period ended December 31, 2015, the Company recognized $2,238 (2014 - $nil) in accretion expense associated with the liability component of the convertible debt.

On January 18, 2016 the Company closed a private placement of 2,005,953 units at a price of $0.105 per unit yielding gross proceeds of $210,625 to be used to facilitate a move into a larger-scale manufacturing facility in Ontario, Canada and also for general working capital. Each unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant is exercisable to purchase one additional common share of the Company at an exercise price of $ 0.15 per share for a period of 24 months from the issuance date. The common shares and warrants comprising the units are subject to a hold period of four months and one day from the date of their issuance.

The Company estimates that it will require approximately $500,000 to fund its general and administrative expenses for the next twelve months. The current cash and cash equivalents are not sufficient to meet the cash requirements for the next twelve months. The Company will require additional financing to fund its administrative expenses.

The Company has no further funding commitments or arrangements for additional financing at this time and there is no assurance that it will be able to obtain any additional financing on terms acceptable to it, if at all. Any additional funds raised will be used for general and administrative expenses and for the development of its business. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise.

RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2015 and the period ended December 31, 2014, the Company:

1. Paid or accrued a total of $45,000 (2014 - $Nil) to its Chief Executive Officer for management fees;

2. Paid or accrued a total of $18,000 (2014 - $Nil) to its Chief Financial Officer for accounting fees; and

3. Paid or accrued a total of $5,625 (2014 - $Nil) in directors' fees.

As at December 31, 2015, the Company is indebted to its Chief Executive Officer in the amount of $82,841 (2014 - $nil) for management fees and expenses paid on the Company's behalf, to its Chief Financial Officer in the amount of $11,000 (2014 - $nil) for accounting fees and expenses paid on the Company's behalf and $10,185(2014 $nil) in director's fees and expense reimbursement to the Company's other directors. The amounts are unsecured, non-interest bearing with no scheduled terms of repayment.

SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred non-voting shares without par value. As of February 29, 2016, the total number of issued and outstanding common shares was 41,945,473 common shares and there were nil preferred non-voting shares.

During the Nine months ended December 31, 2015, the Company did not issue any securities. During the period ended December 31, 2014, the Company issued the following securities:

1. On April 24, 2014, the Company completed a private placement of 2,950,000 common shares at a price of $0.01 per share for gross proceeds of $29,500.

2. On May 6, 2014, the Company completed a private placement of 1,666,666 units at a price of $0.03 per unit for gross proceeds of $50,000. Each unit consists of one common share and one share purchase warrant, with each warrant being exercisable into one common share at a price of $0.20 per share for a period of two years.

3. On May 23, 2014, the Company issued 25,000,000 with a fair value of $750,000 in accordance with the Share Exchange Agreement. The Company also issued 550,000 common shares with a fair value of $16,500 as finder's fee shares associated with the Share Exchange Agreement.

4. On May 25, 2014, the Company completed a private placement of 4,200,000 units at a price of $0.05 per unit for gross proceeds of $210,000. Each unit consists of one common share and one share purchase warrant, with each warrant being exercisable into one common share at a price of $0.20 per share for a period of two years.

5. On June 24, 2014, the Company completed a private placement of 1,420,000 units at a price of $0.25 per unit for gross proceeds of $355,000. Each unit consists of one common share and one half of one share purchase warrant, with each full warrant being exercisable into one common share at a price of $0.40 per share for a period of two years. The Company incurred cash share issue costs of $33,645 associated with this private placement and issued 142,000 broker's warrants, with each warrant being exercisable into one common share at a price of $0.25 for a period of two years.

The Company had the following share capital transaction during the nine month period ended December 31, 2015:

1. On August 11, 2015, the Company completed a private placement by issuing 1,550,000 units at a price of $0.08 per unit for gross proceeds of $124,000. Each unity is comprised of one common share and ne share purchase warrant. Each warrant is exercisable into an additional common share at $0.15 per share for a period of two years. No value was assigned to the warrants issued as part of the unit offering completed.
2. On September 24, 2015, the Company issued 240,000 common shares with a fair value of $24,000 for past consulting services provided. The amount had been accrued as a commitment to issue shares as at March 31, 2015.
3. On September 24, 2015, the Company issued 50,000 common shares with a fair value of $5,000 pursuant to a debt settlement agreement.

<u>Share subscriptions received:</u>

During the nine month period ended December 31, 2015, the Company received $208,000 towards a future financing to be completed. Subsequent to December 31, 2015, the Company closed a private placement of 2,005,953 units at a price of $0.105 per unit yielding gross proceeds of $210,625 to be used to facilitate a move into a larger-scale manufacturing facility in Ontario, Canada and also for general working capital. Each unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant is exercisable to purchase one additional common share of the Company at an exercise price of $ 0.15 per share for a period of 24 months from the issuance date. The common shares and warrants comprising the units are subject to a hold period of four months and one day from the date of their issuance.

Warrants
As at December 31, 2015 the following warrants are outstanding:

	Number of Warrants	Exercise Price ($)	Expiry Date
Warrants	1,666,666	0.20	May 6, 2016
Warrants	4,200,000	0.20	May 25, 2016
Warrants	1,183,333	0.25	October 23, 2016
Broker warrants	236,661	0.15	October 23, 2016
Warrants	336,667	0.25	February 2, 2017
Broker warrants	39,000	0.15	February 2, 2017
Warrants	1,550,000	0.15	August 11, 2017
	9,212,327		

Stock options

As at December 31, 2015 the following stock options are outstanding:

	Number of Options	**Exercise Price ($)**	**Expiry Date**
Stock options	3,750,000	0.10	March 19, 2017
	3,750,000		

FINANCIAL INSTRUMENTS

Fair Value

Financial instruments recorded at fair value on the consolidated statement of financial position are classified 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:

(a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

(b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

(c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of accounts payable and accrued liabilities and due to related parties approximates their fair value because of the short-term nature of these instruments.

The fair values of cash and marketable securities are measured based on level 1 inputs of the fair value hierarchy.

Risk

The Company is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration as of December 31, 2015:

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations which will result in a loss for the Company. At December 31, 2015, the Company's maximum exposure to credit risk was the carrying value of cash. The Company limits its credit exposure on cash by holding its deposits mainly with Canadian chartered banks.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting future obligations with financial liabilities. The Company is exposed to this risk mainly in respect to finance future growth. As at December 31, 2015, the Company has cash of $90,830 to settle current liabilities of $549,140.

Currency risk

The Company is not exposed to any currency risk as of December 31, 2015.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risk from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is not at risk as of December 31, 2015.

CHANGES IN ACCOUNTING POLICIES

New standard not yet adopted

IFRS 9 Financial Instruments (Revised) was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities and carrying over the existing derecognition requirements from IAS 39 Financial instruments: recognition and measurement. The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of IFRS 9 on the Company's consolidated financial instruments has not yet been determined.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

SUBSEQUENT EVENTS

On January 18, 2016 the Company closed a private placement of 2,005,953 units at a price of $0.105 per unit yielding gross proceeds of $210,625 to be used to facilitate a move into a larger-scale manufacturing facility in Ontario, Canada and also for general working capital. Each unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant is exercisable to purchase one additional common share of the Company at an exercise price of $ 0.15 per share for a period of 24 months from the issuance date. The common shares and warrants comprising the units are subject to a hold period of four months and one day from the date of their issuance.

On January 19, 2016 the Company also effected a debt conversion of $15,000 of the Company's accounts payable and accrued liabilities into common shares of the Company at a price of $0.105 per share.

On February 9, 2016 the Company entered into an agreement with CP Network Consoltoria Empresarial LTDA ("Capital Pros") , whereby Capital Pros will offer the Company business advisory services which will include a review of business documentation and an introduction to capital sources for the purpose of obtaining up to USD $ 5,000,000 of invested capital for business expansion. The Company is committed to paying professional fees totaling USD $15,000 payable, USD $10,000 in cash and USD $5,000 in Company stock. In addition, the Company is committed to paying a success fee of 6% of the value received in cash from the proceeds of the capital raised.

On February 16, 2016 TL Pet entered into a three-year agreement with Pet Horizons Ltd, UK ("Pet Horizons") whereby Pet Horizons will develop strategic plans to launch the TL Pet products in Europe. The agreement is scheduled to start February 1, 2016 and continue for an initial period of three years. The sales territory includes the European Union, Switzerland, Norway, as well as, central and eastern Europe including Russia, Ukraine and Belarus. TL Pet has agreed to pay remuneration to Pet Horizons of $5,000 per month from February to April 2016 and $7,500 per month from May 2016 to June 2019. Once distributors for the TL Pet products have been appointed, remuneration to Pet Horizons will be at the rate of a 7% commission for the year ended June 30, 2017 and for the second and third year of the agreement the commission is reduced to 5%.

APPROVAL

The Company's Board of Directors has approved the disclosures in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at **Error! Hyperlink reference not valid.**