

Weekend Unlimited - MD&A - FINALWEEKEND UNLIMITED INDUSTRIES INC.

(Formerly Weekend Unlimited Inc.)

**MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

This management's discussion and analysis ("MD&A") discusses the activities and financial position of Weekend Unlimited Industries Inc. (the "Company") for the year ended September 30, 2019. The following information should be read in conjunction with the consolidated financial statements of the Company for the years ended September 30, 2019 and September 30, 2018 and the related notes contained therein, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in United States Dollars unless otherwise stated. For more information regarding the foregoing and the other risk factors applicable in respect of an investment in the Company, please see "Risk Factors". Additional information can be accessed through the Company's website at www.weekendunlimited.com or through the SEDAR website at www.sedar.com. The Company trades on the CSE under the symbol POT. This report is dated – January 27, 2020.

FORWARD LOOKING STATEMENTS

This MD&A may contain forward- looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and cooperation's, budgets, cost and plans and objectives of or involving the Company. Such forward- looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.

DESCRIPTION OF BUSINESS

Weekend Unlimited Industries Inc.'s formula is to identify and aggregate great brands within the regulated cannabis industry that are undervalued, deliver capital and expertise, grow and expand with a focus on building ubiquitous lifestyle brands.

Weekend Unlimited exists to serve people's desires for wellness and happiness by harnessing the properties of the cannabis plant to develop quality products and create experiences that enhance our customers' lifestyles.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

BUSINESS OVERVIEW

The Company's current and anticipated business activities include:

Branded Products

- Provision of branding services and packaging to licenced Washington and Oklahoma State Cannabis Cultivators.
- Distribution of CBD tinctures, topicals, and gel caps.

Canadian Hemp Cultivation

- Northern Lights Organic's square-mile (618 acre) farm located near Fort St. James, British Columbia has been repurposed to produce and process organically grown CBD-focused hemp under its industrial hemp licence.
- The entire Northern Lights property is in the process of becoming certified organic by [PACS](#), has no adjacent polluting industry, and is surrounded by Crown land and farms.
- Construction at the Northern Lights Organics Campus of 6,300 square feet of greenhouse space has been completed and is currently operating under a industrial hemp license.
- The farm's planned 10,000 ft² hemp CBD extraction facility is slated for completion next year to allow onsite processing of the hemp biomass harvested on site. This extraction facility will be designed and built to satisfy certified organic regulations
- The greenhouses are being used for industrial hemp seed generation and will enhance early stage plant growth for research and cultivar development.

KEY DEVELOPMENTS DURING THE PERIOD

- Completed a transaction with Open Source Health Inc. ("OSH") whereby OSH acquired all of the issued and outstanding shares of the Company on a one-for-one basis. The Company is considered to have acquired OSH for accounting purposes with the agreement being accounted for as a reverse takeover of OSH by Weekend Unlimited Inc. shareholders. The combined entity continued operating under the name Weekend Unlimited Inc.
- In January 2019 completed the acquisition of a 100% interest in a S&K Industries, LLC upon the conversion of a \$750,000 convertible note, payment of an additional \$1,050,000 in cash, and the issuance of 1,415,781 common shares with a fair value of \$1,800,000 for total consideration of \$3,600,000. In June 2019 after an assessment of the operations and assets of S&K Industries, LLC it was determined that an impairment charge of \$3,676,071 was appropriate.
- The Company completed a non-brokered private placement of \$4,162,885 (CAD \$5,409,154) by the issuance of 2,704,577 units at CAD \$2.00. Each unit consists of one common share and one common share purchase warrant entitling the holder to subscribe for one additional share at a price of CAD \$2.50 for a period of 2 years. In connection with the issuance of the units the Company issued 198,540 broker warrants on the same terms as the unit offering and incurred cash finder's fees and share issue costs of \$454,960.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

- Entered into a secured 6% loan facility for up to CAD \$1,200,000, of which the Company has advanced CAD \$750,000. At any time during the term ending December 31, 2022, the Company has the option to convert the full amount of its CAD \$1,200,000 loan facility into 49% equity of the retail store. The option may only be exercised once the Company has received approval from the Alberta Gaming and Liquor Commission.
- Acquired a 100% interest in Verve Beverage Company. ("VBC") in exchange for 6,000,000 common shares of the Company with a fair value of \$6,268,657. VBC holds the twenty year distribution rights to Verve Energy Drinks and Champ Athletic beverages and is entitled to a 49% interest of the net proceeds in the event either brand is sold. During the quarter ended June 30, 2019 the Company entered an agreement to divest its 100% interest in VBC in exchange for 1,600,000 common shares which resulted in an impairment charge of \$7,052,546.
- In February 2019 the Company acquired a 100% interest in R&D Pharma Corp. ("R&D") for total consideration of \$11,858,746. The Company determined that its investment in R&D Pharma Corp. was not one that either fits its risk profile or corporate image. Accordingly, the Company ceased any further development funding to this asset and is investigating alternative courses of action. The Company recorded an impairment expense of \$11,858,746 in relation to the acquisition of R&D.
- Raised gross proceeds of \$2,261,688 upon the exercise of 3,554,928 warrants and 17,500 stock options with exercise prices between CAD \$0.05 and CAD \$0.20.
- Revised the terms of the agreement to acquire the Northern Lights Organics hemp project in Northern BC. Under the terms of the new agreement the Company:
 - Divested 30% of the equity ownership to the original vendor
 - Advanced CAD \$150,000 to NLO on closing of the modified share purchase agreement to be used towards development of the project
 - Agreed to fund an additional CAD \$150,000 in July 2019 upon achievement of certain milestones
 - Agreed to fund an additional CAD \$340,000 in February 2020 upon achievement of certain milestones
 - Issue 200,000 common shares upon the achievement of certain milestones
 - Issue \$1,000,000 in common shares upon the achievement of certain milestones
 - Agreed to purchase a 50% interest in the organic farm for CAD \$600,000 to be fully paid by October 2019. To date CAD \$300,000 has been paid. The remaining CAD \$300,000 was paid subsequent to September 30, 2019.
- Entered a licensing agreement with JB Stone Inc. in exchange for the Company's 51% interest in JB Stone Inc. and the return of 500,000 common shares of the company.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

- The Company completed a non-brokered private placement of CAD \$2,068,415 by the issuance of 4,136,831 units at CAD \$0.50. Each unit consists of one common share and one common share purchase warrant entitling the holder to subscribe for one additional share at a price of CAD \$1.00 for a period of 2 years, subject to the Company's right to accelerate the expiry date upon 30 days' notice if its shares trade at CAD \$2.50 or more for a period of 10 days. In connection with the issuance of the units the Company issued 270,146 broker warrants on the same terms as the unit offering and incurred cash finder's fees and share issue costs of \$135,073.

Key Developments Subsequent to period end:

Subsequent to September 30, 2019, the Company completed the following transactions:

- The non-interest bearing senior secured convertible promissory note from PPK Investment Group, LLC of \$200,000 was collected in full.
- The Company entered an amending agreement with Northern Lights Supply Inc. for early repayment of its loan, whereby the parties agreed to reduce the loan balance to CAD \$650,000, following interest payments received of \$33,750, and amended the repayment terms as follows:
 - a payment of CAD \$ 275,000 upon execution of the amending agreement
 - 6 semi-annual payments of CAD \$50,000 over three years
 - One final payment of CAD \$75,000
 - The Company recognized an impairment charge of \$75,510 in relation to the reduced loan balance as at September 30, 2019.

SELECTED ANNUAL INFORMATION

Summary of Operations	September 30, 2019	September 30, 2018	September 30, 2017
Total expenses	\$ 7,452,404	\$ 3,274,858	\$ (3,000)
Net gain (loss) from discontinued operations	(516,150)	(3,577,811)	-
Net loss for the year	(44,102,824)	(6,852,669)	(30,000)
Basic and diluted loss per share - continuing operations	(1.25)	(0.49)	(60.00)
Basic and diluted loss per share - discontinued operations	(0.01)	(0.26)	-

Balance Sheet Summary	September 30, 2019	September 30, 2018	September 30, 2017
Current assets	\$ 1,922,847	\$ 7,766,607	\$ 1
Total assets	3,214,433	8,774,608	1
Total liabilities	306,957	1,237,733	3,000
Working capital	1,615,890	6,528,874	(2,999)

Working capital decreased primarily due to the funding of various acquisitions, divestures, and development of the Company's business lines. The Company successfully launched its flagship Wknd! brand and its Orchard Heights brand into Washington. The Company also developed a CBD wellness line of products, known as Wknd! Wellness and launched the products direct to consumer in Q4 2019. The Company also focused on advancing its Northern Lights Organics Hemp project in northern British Columbia and completed a successful research program which is expected to provide valuable information to plan a commercial industrial hemp operation in 2020.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

Discussion of annual results – year ended September 30, 2019:

During the year ended September 30, 2019, the Company incurred a net loss of \$44,102,824 or \$1.24 per share. The primary factors affecting the magnitude and variations of the Company's financial performance were as follows:

- Listing expense of \$12,420,976 was recorded in relation to the issuance of 5,605,961 common shares and 4,784,550 warrants upon the amalgamation with OSH. The common shares were recorded at a fair value of CAD \$2.00, which was the fair value of shares issued in a financing concurrent with the Company's listing on the CSE. The warrants were valued using the Black-Scholes valuation model which yielded a fair value of approximately CAD \$1.20 per warrant. The expense represents the value of the consideration over and above the net assets of OSH at the time of the amalgamation and is a non-cash expense.
- Recognized an impairment charge of \$11,858,746 in relation to the decision to discontinue funding to R&D Pharma Corp.
- After an assessment of the operations and assets of S&K Industries, LLC it was determined that an impairment charge of \$3,676,071 was appropriate.
- In relation to the disposition of Verve Beverage Company subsequent to June 30, 2019 the company recognized an impairment charge of \$6,942,478.
- During the year the Company undertook significant brand development and brand awareness initiatives resulting in advertising and brand development costs of \$2,868,627. These activities included product design and mock ups, creative design consulting, brand ambassador program development costs, website development, photography, various other marketing initiatives, and promotional events. This compares to \$518,023 in the prior year, the increase of \$2,350,604 primarily being attributable to advertising and promotional activities related to the various brands developed and acquired during the year.
- Consulting fees of \$1,342,556 (2018 – 701,924) were related to operations and business development pertaining to completed acquisitions. The increase of \$640,632 related primarily to increased head count during the year in connection with the development of the brands Wknd!, Orchard Heights, and Northern Lights Organics.
- Professional fees of \$571,093 (2018 – 537,190) and increase of \$33,903 related primarily to acquisitions and divestures completed during the period. Additionally professional fees were incurred in relation to legal and accounting required to prepare for the Company's RTO with Open Source Health which occurred in October 2018.
- Management fees of \$453,965 (2018 -338,889) \$related to management and director fees. The increase of \$115,076 was due to additional fees payable and the first full year of operations.
- Travel and entertainment of \$136,058 related primarily to travel required to investigate potential acquisitions and to review the operations of the Company's various investments.
- During the year circumstances arose suggesting the promissory note received from High Desert Group Inc. was impaired. As such the Company recorded an impairment charge of \$750,000.
- Recorded an impairment charge of \$367,507 in relation to certain equipment in Wenatchee Washington.

Summary of significant Balance Sheet items

The primary factors affecting the changes to the balance sheet items were as follows:

- Raised gross proceeds of \$5,738,604 from the issuance of common stock.
- Raised gross proceeds of \$2,251,129 upon the exercise of warrants and stock options.
- Issued loans of \$2,785,129 in relation to strategic acquisitions. Received \$250,000 in loan repayments and recognized an impairment of \$750,000 in relation to the HDG loan.

ADDITIONAL INFORMATION REGARDING SIGNIFICANT TRANSACTIONS

The below summary provides additional information regarding acquisitions completed during the year including management's assessment of the prospects of each business prior to completing the transactions as well as the factors that lead to new management's decision not to pursue these businesses.

S&K Industries LLC – acquisition:

- S&K industries was planned to gain access to a new licensed manufacturing facility in California which was expected to be operational in Q1 2019.
- The company planned to commence producing CBD hard candies and soft gummies, and THC products upon obtaining licencing to do so.
- Weekend Unlimited edible THC + CBD products were planned to be manufactured in the HDG facility.
- S&K planned to focus on channel build with a national distribution rollout for a CBD edibles line throughout the USA
- Same channel revenue forecast for 2019 by S&K management was approximately USD\$ 2 million
- Legacy distribution in 380 retail stores Southern California of the brands Canna Candy's and Canna Medibles.

S&K Industries LLC – impairment of purchase price:

- S&K was not successful in obtaining an annual licence to produce THC products.
- The licensed manufacturing facility in California which was expected to be operational in Q1 under the co-location agreement with High Desert Group ("HDG") was not successfully put into operation as HDG decided to utilize funds in an unrelated operation.
- S&K was unable to secure distribution agreements to rollout its CBD edibles line throughout the USA as planned
- Upon review by new management it became apparent that there would be difficulty distributing products under the brand Canna Candy's as it would likely be considered to appeal to children which is generally prohibited.
- The CBD line of products was re-branded WKND Wellness and was successfully launched in fall 2019.

S&K continues to function as the CBD wing of the Company's US operations.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

Verve Beverage Company – acquisition:

- Verve had existing positioning in the beverage market under a direct to consumer sales model with a proven product and a recognized brand.
- \$100+ million spent developing the Verve brand by Vemma Nutrition
- The Verve brand had reportedly sold \$235+ million in historical direct to consumer sales which generated gross margins of approximately 50%.
- The Company intended to introduce the brand to traditional retail channels
- Verve management intended to launch a CBD infused beverage in 1st quarter 2019
- VBC was working toward the introduction of a new beverage brand, Champ Energy and held an exclusive distribution licence for Champ Energy beverages
- Champ Energy was the official energy drink of the NHL's San Jose Sharks
- VBC planned to launch additional CBD infused products beginning in January 2019

Verve Beverage Company – disposition:

- Verve management struggled to establish sales channels in the markets which they intended to enter post closing of the acquisition by Weekend.
- VBC management informed Weekend Management there was a supply issue with a key ingredient, Mangosteen, which was difficult to obtain due to China trade issues.
- Due to the above manufacturing issue focused its efforts on distribution of Champ Energy, a new brand as well as Verve Hemp infused water. Both business lines were unable to achieve material sales from January 2019 to the disposition date.
- The San Jose Sharks sponsorship was not sufficiently leveraged to generate sales for Champ Energy by VBC management.
- Upon investigation by incoming CEO, Chris Backus, the assets and business acquired were determined to require significant additional investment and human capital which Weekend would not be in a position to provide without raising significant additional capital.

R&D Pharma Corp. – acquisition:

- R&D Pharma, through its holdings in Access Payment Limited held one of a limited number of approved Tier-3 cultivation licenses in Jamaica.
- R&D Pharma intended to leverage medical tourism to attract customers to its outdoor cultivation operation and on-site cannabis consumption lounge as permitted by Jamaican licencing.
- Jamaica is well known as a prolific region for the growth of low cost premium outdoor cannabis.
- R&D Pharma intended to scale up the cultivation operation and was investigating the prospects of exporting cannabis oils internationally to medicinal markets.

R&D Pharma Corp. – discontinuation:

- The Company's 51% partner on the Jamaican licence, Yohan Chin was kidnapped, exposed as potentially being involved in criminal activity and as such Weekend deemed the investment to be high risk and made the decision to cease any further development funding to the asset.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

High Desert Group Inc. – loan issuance and impairment:

- The loan to High Desert Group Inc. (“HDG”) was made in relation to a co-location agreement between S&K Industries and HDG whereby HDG intended to establish a licenced extraction facility in Adelanto, California.
- Under the agreement S&K and Weekend would be granted the right to use the facility for manufacturing of CBD and THC products.
- HDG was unable to obtain a permanent licence and Weekend management was informed HDG deployed the funds for use in another facility in Colorado.
- Attempts to negotiate a settlement with HDG were unsuccessful and the funds were deemed to be unrecoverable.
- The Company became aware that HDG had been evicted from the facility which indicated it would be difficult and costly to recover the loan security.

FOURTH QUARTER DISCUSSION

Discussion of fourth quarter results –September 30, 2019:

During the fourth quarter ended September 30, 2019, the Company recorded a loss from continuing operations of \$1,825,798 (2018 –\$1,424,305).

The primary factors affecting the magnitude and variations of the Company’s financial performance during the quarter were as follows:

- General and administrative expense was \$878,514 compared to \$738,521 in the prior year or an increase of \$139,993. The increase was related to a the accrual of a one time consulting fee of CAD \$172,162 to be settled in shares at a later date. The most significant expenses continued to be advertising, and promotion as well as consulting related to ongoing business development and product launches.
- Share based payments were \$137,129 (2018 – 545,030) as decrease of \$407,901 as fewer options were granted during the fourth quarter.
- Recorded an impairment charge of \$367,507 in relation to certain equipment in Wenatchee Washington.

PROPOSED TRANSACTIONS

None.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in United States Dollars:

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue	\$ 7,144	\$ -	\$ -	-
Net loss	(1,825,798)	(11,878,142)	(15,396,991)	(15,001,893)
Basic and diluted loss per share	-	(0.03)	(0.05)	(0.07)
Weighted average shares outstanding	42,191,028	41,475,049	28,733,728	21,823,994

	September 30, 2018	June 30, 2018	March 31, 2018	June 30, 2017
Revenue	\$ -	\$ -	-	NA
Net loss	(1,457,037)	(1,288,154)	(529,667)	NA
Basic and diluted loss per share	(0.10)	(0.09)	(0.04)	NA
Weighted average shares outstanding	14,394,949	13,673,871	11,834,949	NA

LIQUIDITY AND CAPITAL RESOURCES

The Company's objective in managing its liquidity and capital structure are to generate sufficient cash to fund the Company's operating, acquisition, organic growth and contractual obligations. The Company monitors its liquidity primarily by focusing on working capital in evaluating its liquidity.

As at September 30, 2019, the Company had working capital of \$1,615,890 (September 30, 2018 – \$6,528,874). The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019 the Company had sufficient cash to settle current liabilities.

The table below highlights the Company's cash flows during the years ended September 30, 2019 and 2018:

Net cash provided by (used in)	September 30, 2019	September 30, 2018
Operating activities	\$ (6,166,035)	\$ (2,581,899)
Investing activities	(4,154,232)	(4,400,319)
Financing activities	7,428,123	10,881,845
Effect of exchange rate on cash	(81,514)	(103,025)
Cash, beginning	3,796,603	1
Cash, end	822,945	3,796,603

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

OUTSTANDING SHARE DATA

Details of the Company's capitalization are as follows:

	September 30, 2019	Date of MD&A
Common shares	44,105,524	44,250,524
Warrants	20,749,324	20,704,324
R&D redeemable preferred shares (exchange ratio applied)	2,329,881	2,329,881
Stock options	2,672,500	2,672,500

USE OF ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

See Note 3 to the September 30, 2019 consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

New accounting policies

Effective October 1, 2018, the Company adopted the following accounting standards:

IFRS 9, *Financial Instruments* ("IFRS 9")

IFRS 9 is required for reporting periods beginning on or after January 1, 2018, with retrospective application. The Company applied IFRS 9 on October 1, 2018, and in accordance with the transition requirements, comparative periods have not been restated. The adoption of IFRS 9 did not have a significant impact on the carrying amounts of financial instruments as at October 1, 2018.

IFRS 9 replaces the classification and measurement models in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"), with a single model under which financial assets are classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). This classification is based on the business model in which a financial asset is managed, as well as its contractual cash flow characteristics, and eliminates the IAS 39 categories of held-to-maturity, loans and receivables, and available for-sale. All other financial assets and financial liabilities will continue to be measured on the same basis as is currently adopted under IAS 39.

The Company assessed the classification and measurement of financial instruments under IFRS 9, with reference to the former classification under IAS 39, as follows:

Financial Assets	IFRS 9	IAS 39
Cash	FVTPL	FVTPL
Receivables	FVTPL	FVTPL
Loans receivable	FVTPL	FVTPL
Financial Liabilities	IFRS 9	IAS 39
Accounts payable and accrued liabilities	Amortized cost	Other financial liabilities
Due to related party	Amortized cost	Other financial liabilities

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and

interest. The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, did not have an impact on the carrying amounts of financial assets.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the 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. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. The Company has applied IFRS 15 retrospectively and determined that there is no change to the comparative periods or transitional adjustments required as a result of the adoption of this standard.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

a) Leases ("IFRS 16")

Leases ("IFRS 16") was issued by the IASB and will replace *Leases ("IAS 17")*. IFRS 16 requires most leases to be reported on a company's balance sheet as assets and liabilities. IFRS 16 is effective 1 January 2019. Early application is permitted for companies that also apply IFRS 15 *Revenue from Contracts with Customers*. The Company does not expect any impact upon the of adoption of IFRS 16.

b) Uncertainty over Income Tax Treatments ("IFRIC 23")

Uncertainty over Income Tax Treatments ("IFRIC 23") was issued by IASB on June 7, 2017 to clarify the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 *Income Taxes*. IFRIC 23 is effective January 1, 2019. The Company is currently assessing the impact of this new standard on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

Cash is carried at fair value using a level 1 fair value measurement. The recorded values of receivables, loans receivable, and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and loans receivables. Cash is held with reputable Canadian and United States financial institutions, from which management believes the risk of loss is remote. Receivables consists of amounts due from the Government of Canada in which management believes the credit risk to be minimal. The Company does not have significant credit risk with respect to customers. The Company's remaining loans are considered to have a low risk of default due to expected growth in their businesses. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

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 September 30, 2019, the Company's financial liabilities consist of accounts payable and accrued liabilities, which have contractual maturity within one year. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company regards liquidity risk to be low as it has sufficient working capital to for at least the next twelve months.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at September 30, 2019, the Company had cash, receivables, accounts payable and accrued liabilities, denominated in Canadian Dollars ("CAD"). A 10% fluctuation in the foreign exchange rate between the USD and Canadian dollar would have a \$98,000 impact on profit or loss for the period. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

During the year ended September 30, 2019 the Company entered the following key management transactions:

- Consulting fees of \$445,246 (2018 – \$512,138) were paid to directors and officers.
- Shares issued for services of \$Nil (2018 - \$171,270) to a former director.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

- Share-based compensation of \$327,035 (2018 - \$Nil) was related to directors, officers, and a former officer.

Other related party transactions include:

- In December 2018 the Company received a secured promissory note from High Desert Group Inc. ("HDG") of \$750,000. At the date of the issuance of the HDG loan, the Company's then CEO (now former CEO), Paul Chu, was a common director and officer of HDG and the Company. The note matured on December 13, 2019 and is secured by all the assets of HDG. The loan proceeds were deemed uncollectible and accordingly the Company wrote the loan down to \$Nil as of September 30, 2019.
- As at September 30, 2018 Open Source Health Inc., a company with common directors and officers, advanced the Company \$672,750. During the year ended the Company completed an amalgamation with Open Source Health Inc.

SUBSEQUENT EVENTS

Subsequent to September 30, 2019, the Company completed the following transactions:

- The non-interest bearing senior secured promissory note from PPK Investment Group, LLC of \$200,000 was collected in full.
- The Company entered into an amending agreement with Northern Lights Supply Inc. for early repayment of its loan, whereby the parties agreed to reduce the loan balance to CAD \$650,000, following interest payments received of \$33,750, and amended the repayment terms as follows:
 - a payment of CAD \$ 275,000 upon execution of the amending agreement
 - 6 semi-annual payments of CAD \$50,000 over three years
 - One final payment of CAD \$75,000
 - The Company recognized an impairment charge of \$75,510 in relation to the reduced loan balance as at September 30, 2019.
- Entered into a purchase and sale agreement for the Company's Wenatchee Washington Facility with the following terms:
 - Purchase price of \$600,000
 - Payment of \$350,000 upon closing
 - \$250,000 to be paid back interest free over 50 months at a rate of \$5,000 per month.
 - Elimination of the conversion option

Closing is subject to due diligence by the purchaser.

- Issued 100,000 common shares upon the achievement of certain milestones under the Northern Lights Organics share purchase agreement.
- Issued 45,000 common share upon the exercise of warrants at a price of CAD \$0.50 each for proceeds of CAD \$22,500.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair representation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

RISK FACTORS

An investor should carefully consider the following risk factors in addition to the other information contained in this Management's Discussion and Analysis. The risks and uncertainties below are not the only ones related to the Company. There are additional risks and uncertainties that the Company does not presently know of or that the Company currently considers immaterial which may also impair the Company's business operations. If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operations may suffer significantly.

The Company is subject to significant regulatory risks with respect to its operations in the United States. See "Risk Factors Related to the United States Regulatory System."

GENERAL RISK FACTORS OF THE COMPANY'S OPERATIONS

The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability.

The Company has a very limited history of operations, is comprised of several newly acquired subsidiaries, and is in the early stage of development and must be considered a start up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the Company's early stage of operations.

Shareholders should consider and evaluate the Company's operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that the Company may not have sufficient capital to achieve its growth strategy;
- risks that the Company may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that the Company's growth strategy may not be successful;
- risks that fluctuations in the Company's operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Company's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

There is no assurance that the Company will generate a profit or generate revenues.

There is no assurance as to whether the Company will be profitable, generate revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

Uncertainty about the Company's ability to continue as a going concern.

The Company is in the development stage and is currently seeking additional capital, mergers, acquisitions, joint ventures, partnerships and other business arrangements to expand its product offerings in the adult use and medical cannabis industry and grow its revenue. The Company's ability to continue as a going concern is dependent upon its ability in the future to grow its revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company, or at all. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Limited Operating History.

The Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

The Company has a history of losses, may incur significant losses in the future and may not achieve or maintain profitability.

The Company has incurred losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

The Company had negative cash flows since inception

To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company may experience changes in its operating plans and certain delays in the timing of its plans. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in business infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's efforts to grow its business may be costlier than expected, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

Under Canada, and U.S., regulations, there are restrictions on the type and form of marketing that can be undertaken with respect to cannabis products, which could materially impact sales performance.

The development of the Company's future business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by Health Canada, U.S., and Jamaica regulatory authorities. The regulatory environment in Canada limits the Company's ability to compete for market share in a manner similar to other industries. The regulatory environments in which the Company operates may in the future also further restrict the type and form of marketing which could limit the Company's ability to compete for market share. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

The adult use and medical cannabis industry are relatively new in Canada, and the U.S., , and this industry may not continue to exist or grow as anticipated.

The Company will be operating its business in the relatively new cannabis industry. In addition to being subject to general business risks, the Company's business involves an agricultural product and a regulated consumer product and therefore the Company will need to build brand awareness in this industry through significant investments in its strategy, its production capacity, quality assurance, and compliance with regulations. These activities may not promote the Company's brand and products as effectively as intended, or at all. Competitive conditions, consumer preferences, patient requirements and spending patterns in this new industry are relatively unknown and may have unique circumstances that differ from existing industries.

Accordingly, there are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the cannabis industry and market could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may be unable to attract or retain key personnel with sufficient experience in the cannabis industry and may prove unable to attract, develop, and retain additional employees required for the Company's development and future success.

The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the Company's management structure may be strained as the Company pursues growth opportunities in the future. The loss of the services of a key management personnel or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. The Company does not currently maintain key-person insurance on the lives of any of its members of management.

Risks relating to Reliance on Management.

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While formal agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Risks relating to Medical Cannabis in Canada.

Cannabis is not an approved drug or medicine in Canada. The Government of Canada does not endorse the use of cannabis, but Canadian courts have required reasonable access to a legal course of cannabis when authorized by a healthcare practitioner.

The *Cannabis Act* (Canada) regulating adult use cannabis in Canada came into force on October 17, 2018. Regulatory changes by the federal, provincial governments in Canada are certain to occur, with unknown results to the business of the Corporation

There is no assurance that the Company will obtain and retain any relevant licenses.

State licenses in the U.S. are subject to ongoing compliance and reporting requirements. Failure by the Company to comply with the requirements of licenses or any failure to maintain licenses would have a material adverse impact on the business, financial condition and operating results of the Company. Should any state in which the Company considers a license important not grant, extend or renew such license or should it renew such license on different terms, or should it decide to grant more than the anticipated number of licenses, the business, financial condition and results of the operation of the Company could be materially adversely affected.

Further, the Company's ability to grow, store and sell cannabis in Canada is dependent on the ability of the Company to obtain a license to do so from Health Canada. The Company does not currently hold a license from Health Canada and there can be no assurance that the Company will receive such a license in a timely manner, or at all. The licenses, once issued, are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements would have a material adverse impact on the business, financial condition and operating results of the Company.

The cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others.

The Company's future business involves the growing of cannabis, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company expects that any such growing will be completed indoors under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production.

The cultivation of cannabis involves a reliance on third party transportation which could result in supply delays, unreliability of delivery and other related risks.

In order for customers of the Company to receive their product, the Company will rely on third party transportation services. This can cause logistical problems with and delays in patients obtaining their orders and cannot be directly controlled by the Company. Any delay by third party transportation services may adversely affect the Company's financial performance.

Moreover, security of the product during transportation to and from the Company's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the Company's business, financials and prospects. Any such breach could impact the Company's future ability to continue operating under its licenses or the prospect of renewing its licenses.

The Company may compete for market share with other companies, which may have longer operating histories and more financial resources, manufacturing and marketing experience than the Company.

The Company does and expects to continue to face intense competition from other companies operating in the same industry, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience than the Company. In addition, there is potential that the Medical Cannabis and Recreational Cannabis industry will undergo consolidation, creating larger companies with financial resources, manufacturing and marketing capabilities, and product offerings that are greater than those of the Company. As a result of this competition, the Company may be unable to maintain its operations or develop them as currently proposed on terms it considers acceptable or at all. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect the Company's business, financial condition and results of operations.

As well, the legal landscape for medical and recreational cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of cannabis for medical purposes in some form or another. Increased international competition and/or limitations placed on the Company by Canadian regulators may lower the demand for the Company's products on a global scale.

The Company may seek to expand its business and operations into jurisdictions outside of Canada and the U.S. and there are risks associated with doing so.

The Company may in the future expand its operations and business into jurisdictions outside of Canada and the U.S. There can be no assurance that any market for the Company's products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Company's capability to successfully expand its operations and may have a material adverse effect on the Company's business, financial condition and results of operations.

Unfavourable publicity or consumer perception.

The legal cannabis industry in the United States, Canada, and internationally is at an early stage of its development. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Public opinion and support for medical and recreational cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and recreational cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, Medical Cannabis as opposed to legalization in general).

The Company believes its business will be highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of cannabis products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for cannabis products, and the business, results of operations, financial condition and cash flows of the Company.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the Company's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

The Company's ability to gain and increase market acceptance of its proposed cannabis business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on the Company.

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's

operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may not be able to accurately predict its future capital needs and it may not be able to secure additional financing.

The Company may need to raise significant additional funds in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms, or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. Holders of Common Shares will have no pre-emptive rights in connection with such further issues of equity securities and the Board will have the discretion to determine if an issuance of equity securities is warranted, the price at which such issuance is effected and the other terms of issue.

If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Ability to Access Private and Public Capital.

The Company has historically relied entirely on access to both public and private capital in order to support its continuing operations, and the Company expects to continue to rely almost exclusively on the capital markets to finance its business in the U.S. legal cannabis industry. Although such business carries a higher degree of risk, and despite the legal standing of cannabis businesses pursuant to U.S. federal laws, Canadian based issuers involved in the U.S. legal cannabis industry have been successful in raising substantial amounts of private and public financing. However, there is no assurance the Company will be successful, in whole or in part, in raising funds, particularly if the U.S. federal authorities change their position toward enforcing the CSA. Further, access to funding from U.S. residents may be limited due their unwillingness to be associated with activities which violate U.S. federal laws.

Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's business would be materially and adversely affected. U.S. federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Company. The Company's involvement in the medical and recreational cannabis industry may be illegal under the applicable federal laws of the United States and may be illegal under other applicable law. There can be

no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially adverse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the assets of the Company.

Conflicts of interest may arise between the Company and its directors and officers as a result of other business activities undertaken by such individuals.

The Company may be subject to various potential conflicts of interest because of the fact that some of its directors and executive officers may be engaged in a range of business activities. In addition, the Company's directors and executive officers may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company and subject to any contractual restrictions restricting such activities. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with business interests that interfere with their ability to devote time to the Company's business and affairs, which could adversely affect Company operations. These business interests could require significant time and attention of the Company's executive officers and directors.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and policies of the Company. For example, a director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it and absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. In accordance with applicable laws, the directors of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

The Company may be subject to litigation in the ordinary course of its business.

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the value of the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant resources of the Company, including the time and attention of management and available working capital. Litigation may also create a negative perception of the Company's brand.

Risks related to volatility in Currency exchange rates.

Exchange rate fluctuations may adversely affect the Company's financial position and results. It is anticipated that a significant portion of the Company's business revenue could be earned in U.S. dollars but that a substantial portion of its operating expenses incurred in Canadian dollars. The depreciation of the Canadian Dollar against the U.S. Dollar could increase the actual capital and operating costs of the Company's U.S. operations and materially adversely affect the results presented in the Company's financial statements. Fluctuations in the exchange rate between the U.S. dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on the Company's business, financial condition and operating results.

The Company intends to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. The Company does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Anti-Money Laundering Laws and Regulations.

The Company is subject to a variety of laws and regulations in Canada and the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. *Currency and Foreign Transactions Reporting Act* of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* of 2001 (USA PATRIOT Act), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

The Company's activities, and any proceeds thereof, may be considered proceeds of crime due to the fact that cannabis remains illegal federally in the U.S. This may restrict the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its Common Shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Change in Laws, Regulations and Guidelines.

The Company's business operations are directly and indirectly be affected by a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis, but also including laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require participants to incur substantial costs associated with compliance or alter certain aspects of its business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its operations.

Product Liability.

The Company will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. The Company may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the Company's results of operations and financial condition. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's products.

Product Recalls.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company intends to have detailed procedures in place for testing finished products, there can be no assurance that any problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's products were subject to recall, the image of the brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

The Company may not be able to develop its products, which could prevent it from ever becoming profitable.

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

Environmental and Employee Health and Safety Regulations.

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Operating Risk and Insurance Coverage.

The Company carries insurance to protect its assets, operations and employees. While the Company believes insurance coverage can adequately address all material risks to which it may be exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Uninsurable Risks.

The medical and adult use cannabis business is subject to several risks that could result in damage to or destruction of properties or facilities or cause personal injury or death, environmental damage, delays in production and monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Management of Growth.

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability to deal with this growth may have a material adverse effect on its business, financial condition, results of operations and prospects.

Enforcement of Legal Rights.

In the event of a dispute arising from the Company's U.S. operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities provisions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Success of Quality Control Systems.

The quality and safety of the Company's products are critical to the success of its business and operations. As such, it is imperative that the Company's (and its service provider's) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Company strives to ensure that all of its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Company's business and operating results.

Inability to Obtain or Renew Material Leases.

The Company may be unable to obtain, renew or maintain its leases (commercial or real property) on commercially acceptable terms or at all. An inability to renew its leases, or a renewal of its leases with a rental rate higher than the prevailing rate under the applicable lease prior to expiration, may have an adverse impact on the Company's operations, including disruption of its operations or an increase in its cost of operations. In addition, in the event of non-renewal of any of the Company's leases, the Company may be unable to locate suitable replacement properties for its facilities or it may experience delays in relocation that could lead to a disruption in its operations. Any disruption in the Company's operations could have an adverse effect on its financial condition and results of operations.

Inability to Protect Intellectual Property.

The Company's success is heavily dependent upon its intangible property and technology. The Company relies upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that is considered important to the development of the business. The Company relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Company to protect its intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of the Company's intangible property, technology or processes. It is likely that other companies can duplicate a production process similar to the Company's. Other companies may also be able to materially duplicate the Company's proprietary plant strains. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

The Company's ability to successfully implement its business plan depends in part on its ability to maintain and build brand recognition using its trademarks, service marks, trade dress, domain names and other intellectual property rights, including the Company's names and logos. If the Company's efforts to protect its intellectual property are inadequate, or if any third party misappropriates or infringes on its intellectual property, the value of its brands may be harmed, which could have a material adverse effect on the Company's business and might prevent its brands from achieving or maintaining market acceptance.

The Company may be unable to obtain registrations for its intellectual property rights for various reasons, including prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. This could harm its image, brand or competitive position and cause the Company to incur significant penalties and costs.

Risks Concerning Banking.

The U.S. federal prohibitions on the sale of cannabis may result in the Company and its partners being restricted from accessing the U.S. banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. Banking restrictions could be imposed due to the Company's banking institutions not accepting payments and deposits. The Company is at risk that any bank accounts it has could be closed at any time. Such risks increase costs to the Company. Additionally, similar risks are associated with potentially large amounts of cash at its business locations. These locations require heavy security with respect to holding and transport of cash.

The guidance provided in the FinCEN Memo may change depending on the position of the U.S. government administration at any given time and is subject to revision or retraction in the future, which may restrict the Company's access to banking services. The Company's inability to manage such risks may adversely affect the Company's operations and financial performance.

The Company is reliant on third-party suppliers, manufacturers and contractors.

The Company intends to maintain a full supply chain for the provision of products and services to the adult use and medical cannabis industry. Due to the uncertain regulatory landscape for regulating cannabis in Canada and the United States, the Company's third party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for the Company's operations. Loss of these suppliers, manufacturers and contractors may have a material adverse effect on the Company's business and operational results.

International operations will result in increased operational, regulatory and other risks.

The Company may in the future expand into other geographic areas, which could increase operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. We may not be able to successfully identify suitable acquisition and expansion opportunities or integrate such operations successfully with our existing operations

RISKS RELATED TO THE COMPANY'S SECURITIES

Limited Market for Securities.

There can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Canadian securities regulatory matters.

The Company's involvement in the U.S. cannabis industry may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. It was reported in Canada that the Canadian Depository for Securities Limited was considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("CDS"), refuse to settle trades for cannabis issuers that have investments in the U.S. CDS is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S., despite media reports to the contrary, and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("MOU") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S.

The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, the Common Shares would become highly illiquid until an alternative was implemented as investors would have no ability to effect a trade of such shares through the facilities of a stock exchange.

The market price of the Common Shares may be subject to wide price fluctuations.

The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in operating results, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Common Shares.

It is not anticipated that any dividend will be paid to holders of Common Shares for the foreseeable future.

The Company will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements.

RISK FACTORS RELATED TO THE UNITED STATES REGULATORY SYSTEM

In accordance with the Canadian Securities Administrators Staff Notice 51-352 (Revised) dated February 8, 2018 – *Issuers with U.S. Marijuana-Related Activities* ("CSA Notice 51-352"), below is a discussion of the current federal and state-level U.S. regulatory regimes in those jurisdictions where the Company is currently directly involved. In accordance with CSA Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

United States federal overview.

In the U.S., 33 states and Washington D.C. have legalized Medical Cannabis, while 10 states and Washington D.C. have also legalized adult-use Recreational Cannabis. At the federal level, however, cannabis currently remains a Schedule I controlled substance under the CSA. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the U.S., and a lack of accepted safety for the use of the drug under medical supervision. As such, the manufacture, importation, possession, use or distribution of cannabis remains illegal under U.S. federal law. This has created a dichotomy between state and federal law, whereby many states have elected to regulate and remove state-level penalties regarding a substance which is still illegal at the federal level.

While technically illegal, the U.S. federal government's approach to enforcement of such laws has trended toward non-enforcement. On August 29, 2013, the U.S. Department of Justice ("DOJ") issued a memorandum known as the "Cole Memorandum" to all U.S. Attorneys' offices (federal prosecutors). The Cole Memorandum generally directed U.S. Attorneys not to prioritize the enforcement of federal cannabis laws against individuals and businesses that rigorously comply with state regulatory provisions in states with strictly-regulated medical or adult-use cannabis programs. The Cole Memorandum, while not legally binding, assisted in managing the tension between state and federal laws concerning state-regulated cannabis businesses.

However, on January 4, 2018 the Cole Memorandum was revoked by former Attorney General Jeff Sessions. While this did not create a change in federal law - as the Cole Memorandum was not itself law - the revocation added to the uncertainty of U.S. federal enforcement of the CSA in states where cannabis use is regulated. Sessions also issued a one-page memorandum known as the "Sessions Memorandum." This confirmed the rescission of the Cole Memorandum and explained that the Cole Memorandum was "unnecessary" due to existing general enforcement guidance as set forth in the U.S. Attorney's Manual (the "USAM"). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the former Attorney General," the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution," and "the cumulative impact of particular crimes on the community."

While the Sessions Memorandum does emphasize that cannabis is a Schedule I controlled substance, and states the statutory view that it is a "dangerous drug and that marijuana activity is a serious crime," it does not otherwise guide U.S. Attorneys that the prosecution of cannabis-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether or not to prosecute cannabis related offenses. U.S. Attorneys could individually continue to exercise their discretion in a manner similar to that displayed under the Cole Memorandum's guidance. Dozens of U.S. Attorneys across the country have affirmed their commitment to proceeding in this manner, or otherwise affirming that their view of federal enforcement priorities has not changed, although a few have displayed greater ambivalence.

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

The sheer size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale enforcement operation would more than likely create unwanted political backlash for the DOJ and the Trump administration. It is also possible that the rescission of the Cole Memorandum could motivate Congress to finally reconcile federal and state laws. Regardless, cannabis remains a Schedule I controlled substance at the federal level, and neither the Cole Memorandum nor its rescission has altered that fact. The federal government of the U.S. has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use cannabis, even if state law sanctioned such sale and disbursement. From a purely legal perspective, the criminal risk today remains identical to the risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered although on April 13, 2018, the President of the United States Donald Trump promised Colorado Senator Cory Gardner that he will support efforts to protect States that have legalized marijuana.

Further to the Cole Memo the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a memorandum on February 14, 2014 (the "FinCEN Memorandum") outlining the pathways for financial institutions to bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. Under these guidelines, financial institutions must submit a suspicious activity report ("SAR") in connection with all cannabis related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis related SARs are divided into three categories – cannabis limited, cannabis priority, and cannabis terminated – based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively.

Former Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memo and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to be a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact, indicating that the Department of the Treasury and FinCEN intend to continue abiding by its guidance. However, in the United States, it is difficult for cannabis-based businesses to open and maintain a bank account with any bank or other financial institution.

Although the Cole Memorandum and 2014 Cole Memo have been rescinded, one legislative safeguard for the cannabis industry remains in place: Congress has used a rider provision in the FY 2015, 2016 and 2017 Consolidated Appropriations Acts (currently the " Rohrabacher-Blumenauer Amendment ") to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated medical cannabis actors operating in compliance with state and local law. Since October 1, 2017, the U.S. federal government has been temporarily appropriated under a series of continuing budget resolutions. On May 17, 2018 the U.S. House of Representatives Appropriations Committee approved the inclusion of the Rohrabacher-Blumenauer Amendment (previously, the Rohrabacher Farr Amendment), which adds a provision to prohibit the U.S. Department of Justice from using funding to prevent states from implementing medical marijuana laws through the end of fiscal year 2019, known as the "Joyce Amendment".

Despite the legal, regulatory, and political obstacles the cannabis industry currently faces, the industry has continued to grow. It was anticipated that the federal government would eventually repeal the federal prohibition on cannabis and thereby leave the States to decide for themselves whether to permit regulated cannabis cultivation, production and sale, just as states are free today to decide policies governing the distribution of alcohol or tobacco.

Given current political trends, however, these developments are considered unlikely in the near-term. As an industry best practice, despite the recent rescission of the Cole Memorandum, the Company intends to abide by the following to ensure compliance with the guidance provided by the Cole Memorandum:

- ensure that its operations are compliant with all licensing requirements as established by the applicable State, county, municipality, town, township, borough, and other political/administrative divisions;

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

- ensure that its cannabis related activities adhere to the scope of the licensing obtained;
- implement policies and procedures to ensure that cannabis products are not distributed to minors;
- implement policies and procedures to ensure that revenue is not distributed to criminal enterprises, gangs or cartels;
- implement adequate inventory tracking system and necessary procedures to ensure that such compliance system is effective in tracking inventory and preventing diversion of hemp and/or cannabis or hemp and/or cannabis products into jurisdictions where such products are not permitted by applicable law;
- ensure that its business activity is not used as a cover or pretense for trafficking of other illegal drugs, is not engaged in any other illegal activity or any activities that are contrary to any applicable anti-money laundering statutes; and
- ensure that its business and products comply with applicable Cannabis Laws and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

In addition, the Company may conduct background checks to ensure that its principals and management are of good character, have not been involved with other illegal drugs, engaged in illegal activity or activities involving violence, or use of firearms in cultivation, manufacturing or distribution of cannabis. The Company will also conduct ongoing reviews of the activities of its businesses, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of the licensed premises, including the cases where such possession is permitted by regulation.

Until the U.S. federal government amends the CSA with respect to cannabis, there can be no assurance that it will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with State law. Such potential proceedings could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens; or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company.

On November 7, 2018 Jeff sessions resigned as Attorney General. Further the Democrats win of the House of Representatives in 2018 resulted in the removal of Pete Sessions as Head of the House Rules Committees. Pete Sessions in his role as Head of the House Rules Committee had previously blocked several cannabis reform measures from being voted upon.

Newly appointed attorney general, William Barr, confirmed in written responses to questions from US senators that he won't pursue enforcement of legal cannabis. "As discussed at my hearing, I do not intend to go after parties who have complied with state law in reliance on the Cole Memorandum,". Barr also clarified that he has "not closely considered or determined whether further administrative guidance would be appropriate." For the time being, it does not appear he will pursue active enforcement of the cannabis industry.

Washington State Regulatory Landscape.

Washington State has both medical and adult-use cannabis programs. Washington State passed a medical cannabis patient/caregiver law by popular vote in 1998 but was unable to regulate medical marijuana businesses that developed in the late 2000's. When the Washington Marijuana Legalization and Regulation Initiative 502 legalized marijuana for adults 21 years of age and older in 2012, it licensed adult-use cannabis businesses within the WSLCB and left the unregulated medical cannabis establishments in a precarious situation. Senate Bill 5052 was signed in 2015, which allows existing adult-use retail cannabis stores to apply for a "medical cannabis endorsement" and sell medical cannabis tax free to registered qualifying patients and their designated caregivers. To accommodate for patient demand and the elimination of unregulated medical cannabis storefronts, Washington State re-opened its

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

application process for new adult-use cannabis retail stores. Priority is given to those who were operating or employed by cannabis collective before January 1, 2013 in compliance with all other state and local restrictions.

Unlike many other states, Washington State prohibits vertical integration between retailers and cultivators. There are four primary business types: producers that cultivate cannabis, processors that create infused products, retailers that sell cannabis to consumers, and testing labs that test cannabis for contaminants. Only producers and processors may be vertically integrated. Washington State is currently not accepting new applications for growers, producers or processors. Washington State does not allow for non-resident individuals or corporation to own directly or indirectly any cannabis licenses.

Washington State has by far the most granted recreational cannabis production/processing licenses of any state which has legalized cannabis in any form, and was recently noted by BDS Analytics (a cannabis-specific multi-state analytics company) as having the lowest wholesale price per pound of cannabis of any state which currently has a state-legalized market for cannabis, at under \$800 wholesale. This pricing compression may adversely affect the profitability and cash-flow generating abilities of Weekend Washington's tenants and has could lead to delayed payment of portions of rent or service charges.

California Regulatory Landscape.

In 1996, California was the first state to legalize medical cannabis through Proposition 215, the Compassionate Use Act of 1996 ("CUA"). This legalized the use, possession and cultivation of medical cannabis by patients with a physician recommendation for treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which cannabis provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients. In September 2015, the California legislature passed three bills collectively known as the "Medical Cannabis Regulation and Safety Act" ("MCRSA"). The MCRSA established a licensing and regulatory framework for medical cannabis businesses in California. The system created multiple license types for dispensaries, infused products manufacturers, cultivation facilities, testing laboratories, transportation companies, and distributors. Edible infused product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However, in November 2016, voters in California overwhelmingly passed Proposition 64, the "Adult Use of Marijuana Act" ("AUMA") creating an adult-use cannabis program for adult-use 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which amalgamates MCRSA and AUMA to provide a set of regulations to govern medical and adult-use licensing regime for cannabis businesses in the State of California. The four agencies that regulate marijuana at the state level are the California Department of Consumer Affairs' Bureau of Cannabis Control ("BCC"), California Department of Food and Agriculture, California Department of Public Health, and California Department of Tax and Fee Administration.

To legally operate a medical or adult-use cannabis business in California, the operator must have both a local and state license. This requires license holders to operate in cities with cannabis licensing programs. Therefore, cities in California are allowed to determine the number of licenses they will issue to cannabis operators or can choose to outright ban marijuana. MAUCRSA went into effect on January 1, 2018.

There is no assurance of success or profitability under the new legal and regulatory structure in California.

There are no assurances that the Company will be granted any licenses in the State of California. The Company has not determined the extent to which the provisions of MAUCRSA will impact the Company, its business and its current and future operations. While California has legalized the sale of cannabis for medical use outside of cooperatives or

collectives and the sale of cannabis for non-medical and for-profit business activities, the regulations relating to how cannabis businesses will be required to operate in the future in California are uncertain. Accordingly, there is no way to currently anticipate what the legal climate surrounding the Company's anticipated business plan will be at any point in the future and there is no assurance that the Company will operate profitably or generate revenues or profits that will permit the payment of dividends on or any increase in the value of the Common Shares.

California legislation may become onerous.

The process associated with acquiring a state license in California may become onerous and there are no assurances that the Company will be granted any state licenses at all. Previously, all applicants for a state license were required to show proof of compliance with local laws; however, pursuant to MAUCRSA, applicants may show prior compliance with local law prior to state licensure, but the burden has shifted to the city or county to alert the state within sixty (60) business days if such applicant is not in compliance with local laws. Although the Company believes it is currently, and will continue to be, in compliance with applicable state and local laws, there is no assurance that any city or county will not alert the state of any issues regarding the Company's compliance. Further, because there are different licenses for different types of commercial cannabis-related activities, even if the Company is granted one or more licenses, there are no assurances that it will be granted all the licenses it will need to implement the Company's business plan.

There are fees associated with acquiring, and renewing, licenses. However, the specific amount of such fees has yet to be determined and may vary based on several factors.

There are no assurances that, when the applicable time comes, the Company will have the capital necessary to acquire (or continue to renew) the licenses necessary to carry out its business plan. Given the necessity of such licenses, failure to possess the necessary licenses (regardless of the reason) would have a material impact on the financial condition of the Company.

Applicable legislation imposes state taxes on California's cannabis industry, and authorizes local jurisdictions to assess taxes and fees on such activities. There currently is no way to predict the tax regime that will apply when (and if) such legislation becomes effective.

MAUCRSA imposes an excise tax to be paid by the end-consumer and the dispensary; and a cultivation tax to be paid by cultivators on all harvested cannabis that enters the commercial market, in addition to any sales and use tax at the state and local level. The tax regime that is applicable to the Company's business, regardless of where the Company is in its development, will have a direct impact on its operations and profitability and, in extreme cases, may make pursuing the Company's expected business plan a futile endeavor. The Company is aware of and planning for the proposed tax structure imposed under MAUCRSA as part of its development plans in California.

Some of the Company's planned business activities, while believed to be compliant with applicable U.S. state and local laws, are illegal under U.S. federal law.

Although certain states and territories of the U.S. authorize medical or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the CSA. An investor's contribution to and involvement in such activities may result in federal civil and/or criminal prosecution, including forfeiture of his, her or its entire investment.

Since the possession and use of cannabis and any related drug paraphernalia is illegal under U.S. federal law, the Company may be deemed to be aiding and abetting illegal activities through the contracts it has entered into and the products that it intends to provide. The Company intends to manufacture, distribute and sell adult use and/or medical cannabis. As a result, U.S. law enforcement authorities, in their attempt to regulate the illegal use of

WEEKEND UNLIMITED INDUSTRIES INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Expressed in United States Dollars)

cannabis and any related drug paraphernalia, may seek to bring an action or actions against the Company, including, but not limited, a claim regarding the Company's possession, use and sale of cannabis, and aiding and abetting another's criminal activities. The Federal aiding and abetting statute provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." As a result of such an action, the Company may be forced to cease operations and its investors could lose their entire investment. Such an action would have a material negative effect on the Company's business and operations. The enforcement of relevant U.S. federal laws is a significant risk.

The Company is operating at a regulatory frontier. The cannabis industry is a new industry that may not succeed.

Should the federal government in the U.S. begin prosecuting those dealing in medical or other cannabis under applicable law, there may not be any market for the Company's products and services in the U.S.

Cannabis is a new industry subject to extensive regulation, and there can be no assurance that it will grow, flourish or continue to the extent necessary to permit the Company to succeed. The Company is treating the cannabis industry as a deregulating industry with significant unsatisfied demand for its proposed products and will adjust its future operations, product mix and market strategy as the industry develops and matures.

The Company may incur significant tax liabilities if the IRS continues to determine that certain expenses of cannabis businesses are not permitted tax deductions under section 280E of the Tax Code.

Section 280E of the Tax Code prohibits businesses from deducting certain expenses associated with trafficking controlled substances (including cannabis) which are prohibited by federal law. The IRS has invoked Section 280E in tax audits against various cannabis businesses in the U.S. that are authorized under state laws, seeking substantial sums in tax liabilities, interest and penalties resulting from under payment of taxes due to the lack of deductibility of otherwise ordinary business expenses, the deduction of which is prohibited by Section 280E. Although the IRS issued a clarification allowing the deduction of certain expenses that can be categorized as cost of goods sold, the scope of such items is interpreted very narrowly and include the cost of seeds, plants and labor related to cultivation, while the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses. The Company's current financial plans include federal tax payable on gross profit rather than is typical in other jurisdictions on earnings before tax.

There is uncertainty surrounding the current U.S. Presidential Administration and its influence and policies in opposition to the cannabis industry as a whole.

There is significant uncertainty surrounding the policies of President Donald Trump and the Trump Administration or the policies of any future Presidential Administration about recreational and medical cannabis.

On January 4, 2018, Former Attorney General Jeff Sessions and the DOJ issued the Sessions Memo. The effect of the Sessions Memo has been to rescind the guidance issued on August 29, 2013 relative to medical cannabis enforcement under the Cole Memo. The effect of the Cole Memo's rescission remains to be seen. On the same day of the Sessions Memo's release, numerous government officials, legislators and federal prosecutors in states with medical and recreational cannabis statutes announced their intention to continue the Cole-Memo-era status quo despite the DOJ's decision to rescind it. The impact that this lack of uniformity between state and federal authorities could have on individual state cannabis markets and the businesses that operate within them is unclear and the enforcement of relevant federal laws is a significant risk.

There is no certainty as to how the DOJ, Federal Bureau of Investigation and other government agencies will handle cannabis matters in the future. There can be no assurances that the Trump administration would not change the current enforcement policy and decide to strongly enforce the federal laws. The Company regularly monitors the activities of the current administration.

State and local laws and regulations may heavily regulate brands and forms of cannabis products and there is no guarantee that the Company's proposed products and brands will be approved for sale and distribution in any state.

States generally only allow the manufacture, sale and distribution of cannabis products that are grown in that state and may require advance approval of such products. Certain states and local jurisdictions have promulgated certain requirements for approved cannabis products based on the form of the product and the concentration of the various cannabinoids in the product. While the Company intends to follow the guidelines and regulations of each applicable state and local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any state or local jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. In the event the Company expands into other U.S. jurisdictions, it plans to undertake no cross-border commerce related to THC products between states until the federal regulatory environment permits such commerce to occur.

Banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes.

Because the manufacture, distribution, and dispensation of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957), the unlicensed money-remitter statute (18 U.S.C. § 1960) and the *U.S. Bank Secrecy Act*. These statutes can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a "specified unlawful activity" such as distributing controlled substances which are illegal under federal law, including cannabis, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the CSA.

U.S. federal trademark and patent protection may not be available for the intellectual property of the Company due to the current classification of cannabis as a Schedule I controlled substance.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available to the Company. As a result, the Company's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third-parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Company can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, state or local level.

The Company's business operations may come under additional scrutiny by governmental and non-governmental agencies.

The cannabis industry may come under scrutiny or further scrutiny by the U.S. Food and Drug Administration (the "FDA"), the U.S. Securities and Exchange Commission (the "Commission"), the DOJ, the Financial Industry Regulatory Advisory or other federal, the State of California or other applicable state or nongovernmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or nonmedical purposes in the United States. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the Company's industry may adversely affect the business and operations of the Company, including without limitation, the costs to remain compliant with applicable laws and the impairment of its ability to raise additional capital, which could reduce, delay or eliminate any return on investment in the Company.

The property of the Company may be seized and the operations of the Company shut down.

The U.S. federal government, through both the DEA and IRS, has the right to actively investigate, audit and shut-down marijuana growing facilities, processors and retailers. The U.S. federal government may also attempt to seize the Company's property. Any action taken by the DEA and/or the IRS to interfere with, seize, or shut down the Company's operations will have a material adverse effect on the Company's business, operating results and financial condition.

Regulatory Risks.

The U.S. cannabis industry is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may impact on actual results.

Participants in the U.S. cannabis industry will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The U.S. cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future growth uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of the Company and which cannot be reliably predicted.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's business would be materially and adversely affected. U.S. federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect the Company.