CANNABIS WHEATON INCOME CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

FOR THE PERIOD ENDED MARCH 31, 2018

Stated in Canadian Funds

DATE: MAY 30, 2018

Management Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") was prepared as of May 30, 2018 unless otherwise indicated. This MD&A reviews the operating results, financial position and liquidity of Cannabis Wheaton Income Corp. (the "Company"). All amounts are stated in Canadian dollars. This MD&A should be read in conjunction with the consolidated financial statements and the notes thereto for the period ended March 31, 2018.

This MD&A may contain forward-looking information that is based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Readers should refer to the "Cautionary Note Regarding Forward Looking Statements" in this MD&A.

Description of Business, Overall Performance and Outlook

Business of the Company

The Company explores and pursues investment opportunities in the cannabis industry. The Company's principal product is cannabis and cannabis products that it purchases pursuant to its streaming agreements and produces through its subsidiaries.

The Company's business model is premised on building a strategic portfolio of investments to create a platform that spans across three distinct verticals of the cannabis supply chain:

1) The "**Upstream**" segment consists of domestic and international cannabis cultivation assets, including the Company's streaming partners and certain subsidiaries.

2) The "**Midstream**" segment consists of various value enhancing assets and the development of intellectual property associated with those assets, such as extraction, processing, branding and licensing, product manufacturing, and research and development. It is anticipated that the Midstream segment of the Company's business will produce various cannabis products such as pharmaceuticals, nutraceuticals and consumer packaged goods, all as and when permitted by applicable laws.

3) The "**Downstream**" segment consists of the Company's various domestic and international distribution channels. The Company aims to establish several distribution channels including provincially approved retailers, pharmacies and direct to consumer sales as well as distribution channels in Federally legal jurisdictions, as permitted by applicable laws.

Key Developments in the First Quarter of 2018

On January 15, 2018, the Company announced the launch of KoLab Project Inc. (formerly RockGarden Medicinals (2014) Inc.). Upon receiving the necessary regulatory approvals, Kolab Project Inc. will offer an exclusive monthly subscription platform to authorized medical cannabis patients.

On January 16, 2018, the Company announced that it had elected to exercise its right under the warrants issued in June 2017 to accelerate the expiry date of the warrants to February 15, 2018.

On January 17, 2018, the Company issued 100,000 convertible debenture units for aggregate gross proceeds of $100,000,000. Each convertible debenture unit consists of $1,000 principal amount of senior unsecured convertible debentures and 322 common share purchase warrants of the Company. The debentures bear interest at 6.0% per annum, calculated semi-annually on June 30 and December 31 of each year and mature 24 months from the date of closing. MMCAP International Inc. SPC and its affiliates subscribed for $85 million of the aggregate principal amount of convertible debenture units and is considered to be an insider of the Company.

On January 29, 2018, the Company announced the settlement of $2,690,019 of debt in consideration for the issuance of an aggregate of 3,018,109 common shares. The shares were negotiated based on the market price in November 2017, at a price ranging between $0.63 and $1.00 of debt for every unit share. Due to the timing of the payment, the fair value of the common shares at the time of issuance was $2.28 based on the closing price on grant date. These shares are subject to a four-month lock-up period restriction on trading. The fair value of the consideration was estimated to be $6,881,289 and a non-recurring non-cash loss on the settlement of debt of $4,191,269 was recorded in the statement of profit and loss.

On January 30, 2018, the Company announced that it had entered into a binding agreement with Inverell S.A. ("Inverell"), a federally licensed cannabis operator based in Montevideo, Uruguay to purchase 80% of the issued and outstanding common shares of Inverell on a fully diluted basis. Inverell is a federally licensed "Cannabis Operator" in Uruguay, and this license allows it to cultivate and harvest its proprietary hemp strain.

Pursuant to the agreement with Inverell, the shareholders of Inverell are entitled to receive aggregate consideration of USD$15,000,000, to be paid as follows:

- USD$2,000,000 in cash on closing of the transaction;
- USD$3,562,500 payable in common shares of the Company on closing of the transaction; and
- USD$9,437,500 payable in common shares of the Company upon the achievement of certain milestones.

On February 7, 2018, the Company completed a strategic investment in Inner Spirit Holdings Ltd. ("Inner Spirit"), a market leader in the franchising of retail cannabis dispensaries in jurisdictions in Canada where the private distribution of recreational cannabis will be legalized. The Company acquired 15,000,000 common shares of Inner Spirit in exchange for:

- a cash payment of $350,000;
- 674,418 common shares of the Company; and
- 1,250,000 common share purchase warrants of the Company.

Pursuant to the investment agreement entered into by the Company and Inner Spirit, the Company also exercised its pre-emptive right to acquire an additional 1,500,000 common shares Inner Spirit for $150,000 and as a result now holds approximately 15% of the total issued and outstanding common shares of Inner Spirit.

On February 8, 2018, the Company subscribed for 1,818,181 common shares and 909,090 common share purchase warrants of Lotus Ventures Inc. for the subscription price of $1,000,000.

On February 16, 2018, the Company announced that it had entered into a joint venture with Peter Quiring, one of Canada's largest greenhouse builders and operators, to develop, construct and operate a state-of-the-art purpose-built greenhouse for cannabis cultivation in Leamington, Ontario.

On March 1, 2018, the Company announced that it had entered into a definitive agreement with Sundial Growers Inc. ("Sundial") whereby the Company advanced $7,000,000 to Sundial by way of a promissory note for a period of 6 months. Sundial will repay the promissory note either by a cash payment, through the delivery of an agreed upon volume of dried cannabis produced by Sundial ("Grams") or through a combination of cash and Grams.

On March 5, 2018, the Company announced that it had entered into a definitive agreement with its streaming partner FV Pharma Inc., a licensed producer under the ACMPR, to finance the construction of an indoor cultivation facility in Cobourg, Ontario. In return, the Company will be entitled to a 49.9% streaming interest of the cannabis cultivation yield produced at the facility in perpetuity.

On March 15, 2018, the Company announced that it had entered into a strategic alliance agreement with Ontario-based research and development firm Honest Inc. ("Province"). The Company will assist Province with the establishment and licensing of a cannabis facility focused on the research, development and commercialization of cannabis-based beverages. The Company and Province have also agreed to explore and collaborate on further commercial opportunities including supply and offtake arrangements, cannabis genetics development and refinement, co-branding opportunities, white-label opportunities, IP development and licensing as well as international distribution opportunities. In consideration, the Company will receive 2,068,284 preferred shares in the capital of Province, representing a 10% equity ownership interest in Province, and the Company will issue 303,030 common shares to Province.

RESULTS OF OPERATIONS

For the period ended March 31, 2018, the Company reported a net loss of $10,520,200 with net loss of $0.03 per common share on a non-diluted and diluted basis. This compares to net loss of $1,485,130 for the period ended March 31, 2017 with net loss of $0.03 per common share on a non-diluted basis and diluted basis. The decrease in net income was primarily driven by an increase in general and operating expenses, compounded by non-cash and non-recurring expenses and losses during the period. The Company invested in new opportunities and streaming partners in the cannabis industry during the quarter as well as contributed to the execution of existing agreements.

Operating Expenses

Wages and benefits were $1,171,599 during the period ended March 31, 2018. The increase over the period ended March 31, 2017 was driven by previous and continuing initiatives to hire talent to keep up with the scaling operations of the business.

General and administration costs were $981,913 for the period ended March 31, 2018. The costs are primarily due to corporate and general administrative activities of the Company, scaling up of business operations, and completing a convertible debt financing, including executing on existing agreements. Also included in general and administration costs are payments of regulatory and transfer agent fees related to the $100,000,000 convertible debt financing.

Professional fees were $622,992 during the period ended March 31, 2018. The fees are attributable to ongoing services related to the Company's investment opportunities and due diligence related matters. Also included in professional fees are, costs incurred as the Company completed a debt financing.

Business development fees were $2,134,432 during the period ended March 31, 2018. The fees were driven by the closing out of existing consulting contracts that were signed in 2017. The Company also incurred fees in relation to marketing activities (print and digital), and investor relations and communications. Business development costs over the remainder of 2018 will be mainly allocated towards investment and capital-raising activities as the Company accelerates its operational activities.

The Company recorded share-based payments of $2,818,725 for 6,300,000 stock options granted during the period ended March 31, 2018 to provide incentives to directors, employees and consultants of the Company. Of these options, 1,292,500 vest immediately. 525,000 stock options had been exercised during the period ended March 31, 2018.

The following table summarizes information about stock options outstanding as at March 31, 2017:

	Options Issued		Average Exercise Price
Balance outstanding at December 31, 2017	19,861,085	$	0.38
Option granted			
January 15, 2018 Grant	1,120,000	$	2.23
January 15, 2018 Grant	1,200,000	$	2.15
January 26, 2018 Grant	200,000	$	2.26
January 31, 2018 Grant	150,000	$	2.40
February 28, 2018 Grant	1,280,000	$	1.54
March 27, 2018 Grant	2,350,000	$	1.80
Total options granted	**6,300,000**	**$**	**1.92**
Total options exercised	**(525,000)**	**$**	**1.00**
Balance outstanding at March 31, 2018	**25,636,085**	**$**	**0.75**

Non-operating Income and Expenses

During the period ended March 31, 2018 the Company repaid in full two unsecured loans of $912,100 and $1,000,000, respectively, which both bore accretion charges at 12%. Accretion was also charged on the June 2017 and January 2018 convertible debentures which bear interest at 6% per annum. Of the June 2017 issuance, 140 units convertible at $1.00 remain in convertible debt and of the January 2018 issuance, 100,000 units convertible at $1.55 remain in convertible debt, as at March 31, 2018.

On January 29, 2018, the Company announced the settlement of $3,064,943 of debt in consideration for the issuance of an aggregate of 3,018,109 common shares. The carrying amount of the debt was $2,690,019. The shares were negotiated based on the market price in November 2017, at a price ranging between $0.63 and $1.00 of debt for every unit share. Due to the timing of the payment, the fair value of the common shares at the time of issuance was $2.28 based on the closing price on grant date. These shares are subject to a four-month lock-up period restriction on trading. The fair value of the consideration was estimated to be $6,881,289 and a non-recurring non-cash loss on the settlement of debt of $4,191,269 was recorded in the statement of profit and loss.

Summary of Quarterly Results

Quarter Ended	Total Assets	Total Liabilities	Total Revenues	Net Income (loss)	Earnings (loss) per share Basic & Diluted
31-Mar-18	$ 281,212,856	$ 95,493,023	$ 618,361	$ (10,520,200)	$ (0.03)
31-Dec-17	$ 92,577,957	$ 29,785,250	$ 1,377,986	$ (9,204,903)	$ (0.04)
30-Sep-17	$ 44,170,368	$ 26,579,207	$ -	$ (5,903,273)	$ (0.03)
30-Jun-17	$ 48,249,808	$ 25,203,031	$ -	$ (1,583,469)	$ (0.01)
31-Mar-17	$ 2,512,447	$ 868,750	$ -	$ (1,485,130)	$ (0.03)
31-Dec-16	$ 416,945	$ 32,958	$ 50,626	$ (334,446)	$ (0.03)
30-Sep-16	$ 747,662	$ 29,229	$ 73,125	$ 15,307	$ 0.00
30-Jun-16	$ 719,076	$ 15,950	$ 56,086	$ 7,238	$ 0.00
31-Mar-16	$ 711,990	$ 16,102	$ 51,396	$ 82,324	$ 0.03
31-Dec-15	$ 721,734	$ 27,057	$ 47,921	$ (2,156)	$ (0.00)
30-Sep-15	$ 636,380	$ 20,660	$ 73,976	$ 10,566	$ 0.00
30-Jun-15	$ 628,842	$ 23,688	$ 70,702	$ 17,366	$ 0.00
31-Mar-15	$ 622,828	$ 35,040	$ 64,609	$ 6,771	$ 0.00

Net loss during the periods ended September 30, 2017, December 31, 2017, and March 31, 2018 were significantly higher due to the ramp up of operating activities including fees in management, marketing, business development, audit and legal, and transfer agent and filing fees.

Summary of most recent Annual Results

Year Ended	Total Assets	Total Liabilities	Total Revenues	Net Income (loss)	Earnings (loss) per share Basic & Diluted
31-Dec-17	$ 92,577,957	$ 29,785,250	$ 1,377,986	$ (18,176,775)	$ (0.11)
31-Dec-16	$ 416,945	$ 32,958	$ 231,233	$ (229,577)	$ (0.03)
31-Dec-15	$ 721,734	$ 27,057	$ 257,208	$ 32,547	$ 0.01

Transactions with Related Parties

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors, executive officers and the President. Compensation of key management personnel may include short-term and long-term benefits. Short-term benefits include salaries, bonuses and medical benefits. Long-term benefits include stock options or post-employment benefits. Compensation provided to current and former key management are as follows:

For the three-month period ended March 31	2018	2017
Short-term benefits	$410,250	$848,030
Long-term benefits (*)	320,805	-
	$731,055	**$848,030**

(*) Consists of share-based payments as the fair value of options granted to key management personnel of the Company under the Company's stock option plan.

Nesta Holding Co Ltd, a company owned and controlled by the CEO of the Company, provides travel and accommodation services to the Company on a month to month basis. For the period ended March 31, 2018, the Company incurred $31,795 (March 31, 2017 - $Nil) in travel expenses. There was $9,472 outstanding to Nesta Holding Co Ltd at March 31, 2018 (December 31, 2017 - $Nil).

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance, liquidity or capital resources of the Company.

Proceeds from financing

The following table provides a breakdown regarding the target use of proceeds for the $100,000,000 convertible debt issuance in January 2018.

Use of Proceeds	**Amount Allocated to Use**
Funding of Streaming Agreements	$45,000,000
Funding long-term investments	$19,000,000
Capital expenditures for international projects	$23,000,000
General working capital purposes	$20,000,000
Total	**$100,000,000**

LIQUIDITY AND CAPITAL RESOURCES

During the period ended March 31, 2018, the Company financed its operations and met its capital requirements through debt and equity financings. The Company's objectives when managing its liquidity and capital resources are to generate sufficient cash to fund the Company's operating and working capital requirements. During the period, the Company completed various equity and debt financings to meet its current and anticipated future obligations, and expansion plans.

Working capital as of March 31, 2018 was $212,988,570 as compared to $28,750,374 at December 31, 2017. The increase in working capital was primarily attributable to a $172,913,324 increase in cash and cash equivalents, which consisted of the Company raising $100,000,000 in convertible debt issuances, raising $91,040,279 in warrant and broker warrant units exercises, investing $7,000,000 in Sundial Grower's Inc., investing $1,000,000 in Lotus Ventures Inc., investing $350,000 in Inner Spirit Inc., and using cash to finance operating activities. In addition to the $172,913,324, the company also had $1,498,471 in other operating activities that affected working capital.

During the period ended March 31, 2018, the Company significantly strengthened its balance sheet and liquidity position with a new equity and debt financing, including $100 million in additional gross cash proceeds from an unsecured convertible debenture financing. The Company anticipates that it has sufficient liquidity and capital resources to meet all of its planned expenditures for at least the next twelve months.

The Company is subject to risks and uncertainties that could significantly impair its ability to raise funds through debt or equity or to generate profits sufficient to meet future obligations, operational, or development needs. See “Risks” for information on the risks and uncertainties that could have a negative effect on the Company's liquidity.

Operating Activities

For the period ended March 31, 2018, cash outflows used for operating activities were $7,188,039 compared to cash outflows of $494,140 for the period ended March 31, 2017. Cash flows used for operations resulted primarily from cash outflows to scale up the business including hiring new staff, raising investor awareness, executing on current investments, and conducting due diligence on new investment opportunities.

Investing Activities

For the period ended March 31, 2018, the Company had net cash outflows related to investing activities of $11,335,686 as compared to net cash inflows of $nil for the period ended March 31, 2017. Investing activities during the period included $7,000,000 in Sundial Grower's Inc., $1,000,000 in Lotus Ventures Inc., $350,000 in Inner Spirit Inc., and $595,865 in capital assets.

Financing Activities

For the period ended March 31, 2018, the Company had net cash inflows related to financing activities of $191,437,049 as compared to $2,597,840 for the period ended March 31, 2017. During the period, the Company raised aggregate net cash proceeds as follows:

- unsecured convertible debentures of $100,000,000
- exercise of warrants for proceeds of $87,620,730;
- exercise of broker warrant units for proceeds $3,419,549

- proceeds from share options exercised of $525,000.

Critical Accounting Estimates

The Company makes estimates about the future that affect the reported amount of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Areas requiring estimates and judgements are as follows:

Impairment assessment of indefinite life intangible assets, intangible assets not yet in use and goodwill

The carrying value of goodwill, indefinite life intangible assets and intangible assets not yet in use are subject to annual impairment assessments. The Company's impairment tests for goodwill and intangible assets are based on the greater of value in use calculations that use a discounted cash flow model over a five-year period and estimated fair value less cost to sell. The value-in-use calculations employ the following key assumptions: future cash flows, growth projections including economic risk assumptions and estimates of achieving key operating metrics. The cash flows are derived from the Company's budget for the future and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimated fair value less cost to sell is based on assessment of comparable company multiples and precedent transactions.

Business Combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In determining the allocation of the purchase price in a business combination, including any acquisition-related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent considerations have all been classified as equity which is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. The Company measures all the assets acquired and liabilities assumed at their acquisition-date fair values.

Valuation of the debt obligation receivable in product equivalents

In determining the valuation of the fair value of the debt obligation receivable in product equivalents, management estimates were used such as an appropriate discount rate, estimate of future selling prices and estimate of future production abilities.

Inputs when using Black-Scholes valuation model

The discount rates used to calculate the purchase price allocation, impairment analysis, net present value of notes receivable, the convertible debentures and the notes payable are based on management's best estimates of an approximate industry peer group weighted average cost of capital and management's best estimate of the Company's risk levels.

Changes in the general economic environment could result in significant changes to this estimate.

Discount rates

The discount rates used to calculate the purchase price allocation, impairment analysis, net present value of notes receivable, the convertible debentures and the notes payable are based on management's best estimates of an approximate industry peer group weighted average cost of capital and management's best estimate of the Company's risk levels.

Changes in the general economic environment could result in significant changes to this estimate.

Depreciation and amortization rates

Depreciation and amortization of property, plant and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets. Management estimated the cultivation license has indefinite life due to the fact that it can be renewed annually with no substantial cost incurred.

Valuation of long-term investments in private companies

In determining the valuation of long-term investments in companies not publicly traded (IFRS 13 level 3 security), there are unobservable inputs are used to measure fair value. Estimates were used for unobservable inputs using the best information available such as public company market comparables and recent public company transactions.

Convertible instruments

Convertible debentures are compound financial instruments which are accounted for separately by their components: a financial liability and an equity instrument. The financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance.

The identification of convertible debentures components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Financial Instruments and Risk Management

The Company's financial instruments include cash and cash equivalents, other receivables, note receivable, long-term investments, investee companies, debt obligation receivable in product equivalent, trade and trade other payables, convertible debenture, long-term loans payable, interest payable on convertible debt. Cash and cash equivalents, other receivables, note receivables are exposed to credit risk and the Company reduces its credit risks by placing these instruments with institutions of high credit worthiness. Receivables relate to outstanding fees owing from the Investee Companies and the Company mitigates the credit risk by entering into agreements with the Investee Companies and reviewing its exposure to credit risk on a regular basis. The Company is exposed to liquidity risk with respect to its trade and other payables and the Company manages liquidity risk by maintaining sufficient cash balances for settlement of financial liabilities on their due dates.

Risk Factors

Company's overall performance and results of operations are subject to a number of risks and uncertainties. Please refer to the Company's AIF, dated May 24, 2018, and the Company's Amended and Restated Short Form Base Shelf Prospectus, dated February 28, 2018 which are filed on SEDAR at www.sedar.com, for a detailed description of the risks and uncertainties, which are hereby incorporated by reference.

Outstanding Share and Option Data

As of May 30, 2018, the Company had the following securities issued and outstanding:

Securities	**May 30 2018**
	#
Issued and outstanding shares	469,817,292
Stock Options	25,611,085
Warrants	67,723,835
Convertible debentures	64,656,129

Subsequent Events

On April 3, 2018, the Company entered into a definitive agreement to acquire 100% of the issued and outstanding shares of Dosecann Inc. Dosecann is a late-stage "Licensed Dealer" applicant pursuant to the Narcotic Control Regulations with a purpose-built 42,000 square foot facility located in Charlottetown, Prince Edward Island. The Company will pay the holders of the Dosecann securities an aggregate of up to $1.83 per security, payable in common shares of Cannabis Wheaton, subject to the satisfaction of certain post-closing time and performance-based milestones.

On April 4, 2018, the Company obtained regulatory approval for a licensing agreement with a Canadian cannabis testing, analysis and licensing company (the "Licensor"). The Company will be granted an exclusive data access for cannabis testing, analysis and ranking for a term of two years. In consideration, the Company will issue 359,211 common shares to the Licensor.

On April 9, 2018, the Company announced that it had entered into a definitive agreement to acquire 100% of the issued and outstanding shares of Robinson's Cannabis Inc. ("RCI"). Robinson's is a late-stage licensed producer applicant and is currently constructing a 27,700 square foot facility located in Kentville, Nova Scotia. As consideration for the Robinson's Shares, the Company will issue 9,395,968 common shares, subject to the satisfaction of certain post-closing time and performance-based milestones.

On April 10, 2018, the Company entered into a definitive agreement with Inverell S.A. ("Inverell"), a federally licensed cannabis operator based in Montevideo, Uruguay to purchase 80% of the issued and outstanding common shares of Inverell on a fully diluted basis. Inverell's "Cannabis Operator" license allows it to cultivate and harvest its proprietary hemp strain.

On April 16, 2018, the Company advanced another $1,000,000 to CannTx, in line with their construction budget and timeline.

On May 11, 2018, the Company closed on the previously announced share purchase agreement with RCI. As consideration for the RCI Shares, the shareholders of RCI received an aggregate consideration of 9,395,968 common shares, issued as follows:

(i) 5,369,126 Company common shares upon closing of the transaction;

(ii) 2,013,421 issued and held in escrow to be released upon RCI receiving a Cultivation Licence; and

(iii) 2,013,421 issued and held in escrow to be released upon RCI receiving a Sales Licence.

On May 15, 2018, the Company announced that it had entered into a definitive licensing agreement with Dixie Brands, Inc. ("Dixie"). Based in Denver, Colorado, Dixie specializes in developing intellectual property related to a variety of cannabinoid-infused products.

On May 17, 2018, the Company announced the closing of its previously announced acquisition agreement to acquire all outstanding securities of Dosecann. The Company has issued 24,494,496 shares at a deemed price of $1.47, of which 9,630,947 are subject to performance-based milestones. In addition, the Company has assumed the obligations of the existing Dosecann common share purchase warrants, resulting in the issuance of 5,071,248 common share purchase warrants in the capital of the Company. Each replacement warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.962 until January 2020. As a result of the closing, Dosecann is now a wholly-owned subsidiary of the Company.

On May 22, 2018, the Company announced that it entered into an agreement with a syndicate of underwriters, led by BMO Capital Markets, on a bought deal basis, to issue and sell 71,500,000 units of the Company at a price of $1.40 per unit, representing aggregate gross proceeds to the Company of approximately $100 million. Each unit consists of one common share and one-half of one common share purchase warrant, with each common share purchase warrant entitling the holder to purchase one common share at a price of $1.85 per common share for a period of 24 months following the closing date.

On May 29, 2018, the underwriters notified the Company in writing of the exercise of the over-allotment option in full, and the Company anticipates closing the offering at 82,225,000 units of the Company at a price of $1.40 per unit for aggregate gross proceeds to the Company of approximately $115 million.

Subsequent to March 31, 2018, 4,005,273 common shares were issued on the exercise of 4,005,273 warrants for gross proceeds of $1,584,356 and 25,000 common shares were issued on the exercise of 25,000 options for gross proceeds of $25,000.

Subsequent to March 31, 2018, 503,225 common shares were issued on the exercise of 780 convertible debt units.

Cautionary Note Regarding Forward Looking Statements

This MD&A and the documents incorporated by reference herein contain certain statements which contain "forward-looking information" within the meaning of Canadian securities legislation (each a "forward-looking statement"). No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, the forward-looking statements included in this MD&A should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- the dependence of the Company's cash flow and financial performance on third parties;
- the price of medical cannabis;
- the lack of control over operations of the Company's streaming partners;
- the fluctuations in the price of the Company's shares and the market for the shares;
- the Company's ongoing investment strategy;
- the ability of the Company's streaming partners to produce medical cannabis;
- the successful buildout of the current and proposed facilities of each of the Company's streaming partners;
- changes in laws, regulations and guidelines, including the advent of the recreation cannabis market and changes in the regulation of medical cannabis;
- licensing risk;

- regulatory risk;
- future liquidity and financial position;
- the Company's expectations with respect to future growth;
- the ability of the Company to generate cash flow; and
- the Company's competitive position.

The forward-looking statements in this MD&A are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only to such assumptions as of the date of this MD&A. In addition, this MD&A may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by the Company. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. Readers should not place undue reliance on forward-looking information contained in this MD&A. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this MD&A including, but not limited to, whether:

- current and future management will abide by the investment objectives and investment strategies of the Company;
- the Company will supplement its board of directors and management, or otherwise engage consultants and advisors, having knowledge of the industries in which the Company invests;
- streaming partners will be able to generate cash flow;
- general economic, financial market, regulatory and political conditions in which the Company operates will remain the same;
- the Company will be able to compete in the industry;
- the Company will be able to manage anticipated and unanticipated costs;
- the Company will be able to enter into additional streaming agreements;
- the Company will be able to maintain internal controls over financial reporting and disclosure, controls and procedures;

- patient services partners will continue to obtain approvals and permits necessary to operate their respective businesses in the ordinary course;

- streaming partners will be able to meet the requirements necessary to obtain and / or maintain their status as LPs; and

- streaming partners will be able to successfully complete initial construction and / or expansion construction of their respective facilities pursuant to the terms and conditions of their respective streaming agreements.

Although management believes that the expectation represented in such forward-looking statements are reasonable, there is no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, performance or achievements.

Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amount of assets, liabilities, revenues and expenses. These estimates may impact the financial performance of the Company when further information becomes available.