

VIRIDIUM PACIFIC GROUP LTD.
(formerly Morro Bay Resources Ltd.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL
CONDITION AND RESULTS OF OPERATIONS**

FOR THE YEARS ENDED NOVEMBER 30, 2017 AND 2016

(IN CANADIAN DOLLARS)

April 2, 2018

Viridium Pacific Group Ltd. (formerly Morro Bay Resources Ltd.) is a publicly traded corporation, incorporated in Canada, with its head office located at 12556 Stave Lake Road, Mission, British Columbia. The common shares are listed on the TSX-V, under the trading symbol "VIR."

This Management's Discussion and Analysis of the Financial Condition and Results of Operation ("MD&A") is dated April 2, 2018. It should be read in conjunction with the Company's audited consolidated financial statements (the "Annual Financial Statements") for the year ended November 30, 2017, including the accompanying notes.

Unless otherwise indicated, all financial information in this MD&A is reported in Canadian dollars. We prepared this MD&A with reference to National Instrument 52-109 – Continuous Disclosure Obligations of the Canadian Securities Administrators. This MD&A provides information for the year ended November 30, 2017 and up to and including April 2, 2018.

The Consolidated Financial Statements and this MD&A have been reviewed by the Company's Audit Committee and approved by the Company's Board of Directors.

The accompanying Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and include the accounts of the Company and its wholly-owned subsidiaries (together referred to as the "Company") Experion Biotechnologies Inc. ("Experion"), Fish Trap Ventures Ltd. ("Fish Trap") and Stave Lake Services Ltd. ("Stave Lake"), detailed in Note 1 to the Consolidated Financial Statements. All inter-company balances and transactions have been eliminated on consolidation.

Additional information filed by us with the Canadian Securities Administrators, including quarterly reports, annual reports and annual information forms are available on-line at www.sedar.com

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking statements" and forward-looking information within the meaning of Canadian securities laws, including such statements relating to:

- assumptions and expectations described in the Company's critical accounting policies and estimates;
- the Company's expectations regarding the adoption and impact of certain accounting pronouncements;
- the Company's expectations regarding legislation, regulations and licensing related to the cultivation, production and sale of cannabis products by the company's wholly-owned subsidiaries;
- enter and participate in international market opportunities;
- the Company's expectations with respect to the company's future financial and operating performance;
- production capacity expectations; and
- the Company's ability to achieve profitability without further equity financing.

The words "plans," "expects," "is expected," "budget," "scheduled," "estimates" "forecasts," "intends," "anticipates," or "believes" or variation (including negative variations) of such words and phrases, or statements that certain actions, events, or results "may," "could," "would," "might," or "will" be taken, occur or to achieve are all forward-looking statements. Forward-looking statements are based on the reasonable assumptions, estimates, internal and external analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and

other factors that may cause 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. Such factors include, but are not limited to, the factors discussed in the section entitled "RISKS AND UNCERTAINTIES". Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of the MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements. The Company does not undertake to update any forward-looking statements except as required by applicable securities laws.

HIGHLIGHTS

Fourth Quarter Financial

Net loss for the three months ended November 30, 2017 was \$(2,834,778). The Company received its License to Produce on August 17, 2017 pursuant to the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). During the fourth quarter, the Company continued its activities in pursuit of its License to Sell medical cannabis from Health Canada. The Company has earned no revenue in the fourth quarter or since its inception. The Company went public through a reverse takeover and completed equity financings for gross cash proceeds of \$3,891,567 in the fourth quarter. Concurrent with the reverse takeover, the Company acquired 100% of the previously issued and outstanding convertible debentures of Experion in consideration of the issuance of 1,771,962 common share units having a value of \$1,063,177. Also concurrent with the reverse takeover, Experion acquired 18.75% of its previously issued common shares in consideration of its disposition of its investment in Northern Vine Canada Inc. The repurchase of Experion common shares resulted in Experion becoming a wholly-owned subsidiary. In November, 2017. The Company exercised an option to purchase land on which the Mission, British Columbia building is located for \$1,018,900.

Subsequent to November 30, 2017, the Company initiated cultivation of medical cannabis and completed Stage 4 of the licensing process. On March 28, 2018, the company began harvesting its first batch of medical cannabis. As of the date of this MD&A the Company does not have a license to sell medical cannabis and is anticipating future inspections by Health Canada prior to the expected issuance of a license to sell. The Company is unable to forecast the issuance date of the license to sell from Health Canada with reasonable accuracy at this time.

Subsequent to November 30, 2017, the Company began site preparation and engaged a geotechnical consultant for a planned 40,000 square foot greenhouse at its Mission, British Columbia site. As of the date of this MD&A, the site preparation has not been completed and no contract has been awarded by the Company for construction of the greenhouse. The Company has identified the construction of the greenhouse at the Mission site as critical to developing operations economically and at scale. The Company's current indoor facility currently has five production rooms of 420 square feet each. One room is utilized for mother plants and four rooms are currently used for production. Construction of the greenhouse will require additional financing and although the Company anticipates the procurement of such financing, there can be no assurance that the Company will obtain financing on acceptable terms or that the greenhouse will be completed.

Fiscal Year Financial

Net Loss for the year ended November 30, 2017 was \$(3,606,447). (November 30, 2016 - \$(32,628)). The Company earned no revenue during the year or since its inception. Activity during the year and prior to fourth quarter activities described above include the procurement of \$1,400,000 in equity financing and

\$1,056,000 in convertible debenture financings. These financings, together with cash on hand at the time, were used to fund the construction of an 8,000 plus square foot building and operations. As a result of these activities, the Company received its license to produce from Health Canada on August 17, 2017 and positioned itself to go public and raise capital to fund its business plan.

RECENT DEVELOPMENTS

The Senate of Canada is currently debating Bill C-45, the Cannabis Act (“Bill C-45”). Bill C-45 is government legislation that would legalize access to cannabis in Canada. The bill would also control and regulate how cannabis is grown, distributed and sold. Bill C-45 was introduced in the Senate and given first reading on November 28, 2017. Bill C-45 was passed in the House of Commons on November 27, 2017. Bill C-45 was adopted at second reading in the Senate on March 22, 2018 and was referred to the Senate Committee on Social Affairs and Technology. The Company currently operates under regulations pursuant to ACMPR and expects to continue to do so. The Company also expects to operate pursuant to the laws and regulations of Bill C-45, when and if passed into law.

Distribution of cannabis contemplated by Bill C-45 has been delegated to provincial jurisdictions. The provinces have several forms of distribution including public owned and operated, privately owned and operated, or a combination thereof. For example, the governments of Ontario and Quebec have indicated a publically owned and operated distribution system whereas the government of Manitoba has indicated a privately owned and operated distribution system. The government of British Columbia Private Retail Licensing Guide (non-medical cannabis) indicates a mixed public and private distribution system. The guide indicates where there is a close relationship (financial or otherwise) between a licensed producer and a non-medical retail business, the retail business will be prohibited from selling any products from the licensed producer. The guide indicates the restriction ensures that the market remains diverse and larger participants do not control and consolidate the market. The Company views the position of the British Columbia favorable to its development as a licensed producer.

On March 13, 2018, pursuant to section 143 of the *Canada Business Corporations Act*, the Company received a Requisition For Shareholders’ Meeting from E & R Holdings Ltd., a company controlled by Mr. Robert (Bob) Howard. The stated purpose of the meeting is (i) remove Mr. Steve Serenas (the C.E.O., Director, and Chairman of the Board) as a director of the Company; (ii) to fix the number of directors of the Company at six (6); (iii) to elect Mr. Sean MacNeil and Mr. Dan Echino as directors of the Company; and (iv) to have the Company reimburse E & R Holdings Ltd. for its costs of requisitioning, calling and holding the shareholders’ meeting. On March 16, 2018, E & R Holdings Ltd. filed an Early Warning Report, pursuant to National Instrument 62-103, regarding it and certain other shareholders of the Company whom are acting jointly. According to the filing, E & R Holdings Ltd. is acting jointly with Robert (Bob) Howard, Sean MacNeil, 0809823 B.C. Ltd (a company controlled by Mr. MacNeil), Viridium Blue Investments Ltd. (a company controlled by Mr. MacNeil), Dan Echino, 1107569 B.C. Ltd. (a company controlled by Mr. David Ferrigno) and Allen Echino. On March 16, 2018, the Company made changes to the Board of Directors and management including (i) the resignation of Mr. Steve Serenas as C.E.O., Director and Chairman of the Board; (ii) the appointment of Mr. Michael Steele as Chairman of the Board; and (iii) the appointment of Mr. Jarrett Malnarick as C.E.O of the Company. As of the date of this MD&A no shareholder’s meeting date has been set and the requisition for shareholders meeting has not been withdrawn. The Company is unable to forecast when such meeting will be called, the outcome of such meeting or the ramifications to the Company resulting from the meeting.

DESCRIPTION OF THE BUSINESS

The Company, through its wholly-owned subsidiaries, Experion, Fish Trap and Stave Lake operate in the medical cannabis industry. Experion is a licensed producer of medical cannabis in Canada. The principal activity of Experion is the production, possession, sale and shipping of medical cannabis as regulated by the ACMPR. As of the date of these financial statements, Experion has a license to produce medical cannabis but has not received its license to sell and ship medical cannabis. The principal activity of Fish

Trap is the ownership and leasing of land. The principal activity of Stave Lake is the hiring of personnel and providing contract services to Experion.

The Company began the year with \$765,451 of working capital comprised mainly of cash and cash equivalents. The Company had received its license to build from Health Canada and had commenced construction of its 8,000 plus square foot building located in Mission, British Columbia. The Company raised an additional \$1,400,000 in an equity financing in April, 2017 the purpose of which was to fund the remaining building costs and operations. The Company utilized the building period to further develop and document its standard operating procedures and position itself to go public and access public capital markets. In early summer 2017, the building was sufficiently completed to facilitate Health Canada inspections. On August 17, 2017, the Company received its license to produce from Health Canada. On July 31, 2017, the Company completed a convertible debenture financing in the amount of \$1,056,000. \$150,000 of this financing was in consideration of past services provided by certain shareholders, management and consultants. The cash component of the financing was utilized to finance the remaining building costs and fund operations.

On September 28, 2017 Experion completed a reverse takeover of a public shell company, Morro Bay Resources Ltd. The reverse takeover transaction consisted of Experion shareholders acquiring 92.3% of the combined company and assuming \$94,616 in net monetary and stock option plan liability. As a result of the reverse takeover, the Company recorded a reverse takeover listing expense of \$1,652,137 and the Morro Bay Resources Ltd. changed its name to Viridium Pacific Group Ltd.

Concurrent with the reverse takeover transaction the Company completed a \$3,300,000 common share unit financing through its Agent, Wellington-Altus Private Wealth. The agent exercised its overallotment option. Concurrent with the reverse takeover, the Company acquired 100% of the previously issued and outstanding convertible debentures of Experion in consideration of the issuance of 1,771,962 common share units having a value of \$1,063,177. Also, concurrent with the reverse takeover, Experion acquired 18.75% of its previously issued common shares in consideration of its disposition of its investment in Northern Vine Canada Inc. The repurchase of Experion common shares resulted in Experion becoming a wholly-owned subsidiary.

The Company incorporated two wholly-owned subsidiaries late in the year, Fish Trap and Stave Lake. In November, 2017 the Company, through Fish Trap, exercised an option to purchase land, on which the Mission, British Columbia building is located, for \$1,018,900. Stave Lake employs personnel and consultants and contracts its services to Experion.

During the months of October and November, 2017, the Company continued modifications to its facility and continued to enhance and modify its standard operating procedures in anticipation of its initial cannabis cultivations. The Company also hired full time employees for facility management, quality control and horticulture. In November, 2017, the Company completed a non-brokered private placement equity financing for gross proceeds of \$591,666. The proceeds of the financing were utilized to increase the working capital position of the Company and to fund operations.

In December, 2017, the Company procured its initial genetic material and plants from several existing producers licensed by Health Canada. The Company began growing and producing cannabis in late December, 2017. The Company has also placed orders with Health Canada approved suppliers for additional genetic material.

During the months of January, February and March, the Company has continued the production process. On March 28, 2018, the Company commenced its first harvest and anticipates beginning the inspection process with Health Canada to procure its license to sell.

The Company exited the fiscal year ended November 30, 2017 with cash and cash equivalents of \$2,597,108 and \$166,837 of liabilities. The Company anticipates using cash on hand and additional equity or debt financings to fund activities over the next twelve months. Those activities include:

- Procuring the License to Sell from Health Canada.
- Procuring, developing and enhancing the genetic materials available to the Company, including the development of intellectual property rights.
- Developing an optimal product matrix consistent with medical and recreational markets in Canada.
- Developing our Ecommerce platform in anticipation of receipt of our license to sell.
- Development of effective branding and marketing strategies for the medical and recreational markets in Canada.
- Commencing active construction of a 40,000-square foot greenhouse at our Mission site.
- Further developing the human resource capacity of our current and future employees.
- Application and receipt of a license to produce and sell cannabis oils.
- Development of cannabis oil derivate technology and facilities.

RESULTS OF OPERATIONS FOR THE YEAR ENDED NOVEMBER 30, 2017 AS COMPARED TO THE YEAR ENDED NOVEMBER 30, 2016

Revenue

The Company did not report any revenue for the year ended November 30, 2017 or 2016. The Company has not received its license to sell medical cannabis from Health Canada pursuant to the ACMPR. The Company has recently commenced its initial harvest of medical cannabis and anticipates the scheduling of Health Canada Inspections. Although the Company anticipates receipt of a license to sell, the Company provides no guidance on when or if a license to sell cannabis will be issued by Health Canada.

Operating Expenses

The Company incurred \$1,936,942 in operating expenses for the year ended November 30, 2017 (November 30, 2016 - \$32,628). The Company's activities for the year ended November 30, 2016 were minimal and consisted almost entirely of land rent and professional fees. Activity increased substantially for the year ended November 30, 2017, primarily related to construction of the Company's indoor facility in Mission, British Columbia, the procurement of a license to sell from Health Canada, the reverse takeover, public listing and financings of the Company. The Company also employed additional personnel and consultants and incurred additional administrative costs as result of such increased activity. The primary operating expenses for the year ended November 30, 2017 were consulting \$722,958, professional fees \$225,668, stock exchange listing fees of \$65,285 and share based compensation of \$603,557. The remaining operating expenses were \$319,474 which included land rent of \$61,075. Consulting fees are expected to be reduced in the second quarter of year end 2018, with the elimination of several consulting contracts. These cost reductions are expected to be offset by charges to salaries and wages and termination payments. Professional fees of a similar level are expected as the Company continues to grow. Stock exchange fees are expected to increase based on the financing requirements of the Company. Share based compensation is expected to increase in the next fiscal year as the amount of unamortized stock based compensation is \$889,626 as of November 30, 2017 and as a result of additional issuances. The Company currently owns the land on which its facility is located and although the land is subject to a lease between two of the Company's wholly-owned subsidiaries, the rental charge is eliminated upon consolidation. Consolidated rent expense for the upcoming fiscal period is expected to consist solely of third party cost recoveries for property taxes and other costs. Remaining expenses are expected to increase as the Company expands.

Other Expenses and Net Income

The Company incurred a reverse takeover listing expense in the amount of \$1,652,137 for the year ended November 30, 2017. This amount is a one-time charge.

The Company incurred interest expense of \$19,978 regarding interest paid to third parties on convertible debentures issued by Experion. The Company acquired 100% of the Experion convertible debentures from third parties and interest expense and, although recorded, (formerly Morro Bay Resources Ltd.) is considered an intercorporate amount and is eliminated from the Company's consolidated financial statements. The Company may issue debt securities or sell all or a portion of the Experion convertible debentures to provide financing for its planned expansion. The amount of interest expense anticipated in the next fiscal year will depend on factors such as the condition of equity markets, the enactment of government legislation and a number of other factors beyond control of the Company.

The Company expects to continue incurring significant losses for the next fiscal year. The Company has not received its license to sell medical cannabis and cannot accurately forecast when the license will be received. The Company has no history of economic production and sale of medical cannabis and Bill C-45 regarding recreational cannabis has not yet been enacted into law. The expected variable distribution systems being enacted within each province and local jurisdictions significantly impacts the combined market for recreational and medical cannabis. The Company is expanding and positioning itself to be competitive in the industry, however, the Company anticipates incurring significant losses before becoming profitable.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2017 AS COMPARED TO THE THREE MONTHS ENDED NOVEMBER 30, 2016

Revenue

The Company did not report any revenue for the three months ended November 30, 2017 or 2016. The Company has not received its license to sell medical cannabis from Health Canada pursuant to the ACMPR. The Company has recently commenced its initial harvest of medical cannabis and anticipates the scheduling of Health Canada Inspections. Although the Company anticipates receipt of a license to sell, the Company provides no guidance on when or if a license to sell cannabis will be issued to it by Health Canada.

Operating Expenses

The Company incurred \$1,165,273 in operating expenses for the three months ended November 30, 2017 (November 30, 2016 - \$18,453). The Company's activities for the three months ended November 30, 2016 were minimal and consisted almost entirely of land rent and professional fees. Activity increased substantially for the year ended November 30, 2017 primarily related to construction of the Company's indoor facility in Mission, British Columbia, the procurement of a license to sell from Health Canada, the reverse takeover, public listing and financings of the Company. The Company also employed additional personnel and consultants and incurred additional administrative costs as result of such increased activity. The primary operating expenses for the three months ending November 30, 2017 were consulting and salaries \$330,426, professional fees \$28,439, stock exchange listing fees of \$65,285 and share based compensation of \$603,557.

Other Expenses and Net Income

The Company incurred a reverse takeover listing expense in the amount of \$1,652,137 for the three months ended November 30, 2017. This amount is a one-time charge.

LIQUIDITY

As of November 30, 2017, the Company had cash and cash equivalents available of \$2,597,108, up from \$907,408 at the end of fiscal 2016. The increase in cash was due to the equity financings in April, September and November, 2017 and the Experion convertible debenture financing in July, 2017. While the Company has incurred cash losses to date, management anticipates success and eventual cash profitability of the business. There can be no assurance the Company will be able to produce products that gain adequate market acceptance or be able to generate sufficient positive cash flow to achieve its business plans.

The Company's objectives when managing its liquidity and capital structure are to generate sufficient cash to fund the Company's operating, acquisition and organic growth requirements.

The table below sets out the cash, other working capital and long-term debt as of November 30, 2017 and November 30, 2016.

	November 30, 2017	November 30, 2016
Cash and cash equivalents	\$2,597,108	\$907,408
Other working capital	\$74,794	\$(141,957)
Long-term debt	Nil	Nil

The increase in total working capital to \$2,671,902 (November 30, 2016 - \$765,451) was primarily due to the \$6,347,67 in gross proceeds from the three equity and one convertible debt financing and to the reduction in current liabilities and an increase in other current assets. Amounts receivable increased due to increased recoverable amounts of Goods and Services Tax and amounts refunded from stock listing agencies. Subscriptions receivable decreased as the amount was received by the Company. Prepaid expenses increased primarily as a result of the prepaid portion of director's and officers' insurance. Amounts due from and due to related parties changed based on the activity described in this MD&A under related parties.

The chart below highlights the Company's cash flows for the years ended November 30, 2017 and November 30, 2016.

Net cash provided by (used in)	November 30, 2017	November 30, 2016
Operating activities	\$(1,460,514)	\$(33,738)
Investing activities	\$(2,732,119)	\$(50,183)
Financing activities	\$5,882,333	\$991,329
Cash and cash equivalents, beginning of year	\$907,408	\$ Nil
Cash and cash equivalents, end of year	\$2,597,108	\$907,408

Cash Used in Operating Activities

The cash used in operating activities prior to changes in working capital during the year ended November 30, 2017 amounted to \$(1,341,897), with net loss of \$(3,606,447). The cash used in operating activities after changes in working capital during the year ended November 30, 2017 amounted to \$(1,460,514).

In the comparative period last year, the cash used in operating activities prior to changes in working capital during the year ended November 30, 2016 was \$(32,628), with a net loss of \$(32,628). The cash used in operating activities after changes in working capital during the year ended November 30, 2016 amounted to \$(33,738).

Cash Used in Investing Activities

Cash used in investing activities during the year ended November 30, 2017 was \$2,732,119 primarily due to the construction and equipping of the Mission site in the amount of \$2,733,021.

Cash used in investing activities during the year ended November 30, 2016 was \$50,183 and was due to the construction and equipping of the Mission site.

Cash From Financing Activities

Cash provided by financing activities during the year ended November 30, 2017 amounted to \$5,882,333 and was primarily provided by the issuance of equity in the amount of \$5,291,567 (less cash issuance costs of \$281,624). Uses of cash included repayment and advances with related parties.

Cash provided by financing activities during the year ended November 30, 2016 amounted to \$1,000,000 and was provided by the issuance of equity. Uses of cash included repayment and advances with related parties.

LIQUIDITY, FINANCING AND CAPITAL RESOURCES

The Company is subject to risks including, but not limited to, its inability to raise additional funds through debt and/or equity financing to support the Company's development and continued operations and to meet the Company's liabilities and commitments as they come due. Specifically, the Company has a history of losses with an accumulated deficit of \$3,696,732, share capital of \$7,857,909 and working capital of \$2,671,902 as of November 30, 2017. This compares to an accumulated deficit of \$92,784, share capital of \$1,110,00 and working capital of \$765,451 as of November 30, 2016. See below under the heading "Risk Factors".

CAPITAL ACTIVITIES

The Company manages its capital with the objective of maximizing shareholder value and sustaining future development of the business. The Company defines capital as the Company's equity and any debt it may issue. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the Company's activities. The Company, upon approval from its Board of Directors, will undertake to balance its overall capital structure through new share issues, the issue of debt or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company's principal capital needs are for funds to expand its production capacity and general working capital requirements to support growth including new opportunities to produce and sell cannabis oil and dry cannabis buds. Since its formation, the Company has financed its cash requirements primarily through the issuance of capital stock with the exception of Experion's issuance of convertible debentures in August, 2017 which were reacquired by the Company in September, 2017.

The Company's authorized share capital is an unlimited number of common shares of which 45,580,350 common shares were issued and outstanding as of November 30, 2017, (November 30, 2016 – 11,466,667 common shares); 1,299,600 shares under the Company Employee Stock Option Plan ("SOP") at prices between \$0.60 and \$4.20 per share at November 30, 2017 (November 30, 2016 – nil); and 5,548,943 common share warrants were outstanding at November 30, 2017 (November 30, 2016 – nil warrants).

OFF- BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements other than those as stated below in the section titled “Transactions with Related Parties.”

TRANSACTIONS WITH RELATED PARTIES

Compensation paid and the value of stock options vested to executive officers and board members during the year ended November 30, 2017 is as follows:

	Cash Compensation	Share Based Compensation Stock Options	Share Based Compensation RSU's	Convertible Debentures Issued for Services	Total
Management	\$233,000	\$238,256	\$170,212	\$95,000	\$736,468
Board of Directors	2,500	Nil	\$88,644	Nil	91,144
	\$235,500	\$238,256	\$258,856	\$95,000	\$827,612

The number of stock options and restricted share units granted and vested to executive officers and board members during the year November 30, 2017 is as follows:

	Stock Options Granted #	Stock Options Vested #	RSU's Granted #	RSU's Vested #
Management	649,625	500,000	1,149,250	Nil
Board of Directors	Nil	Nil	598,500	Nil
	649,625	500,000	1,747,750	Nil

Two parties and their associated companies have the ability to exert control on the Company. Compensation paid to these parties for the year ended November 30, 2017 is as follows:

	Cash Compensation	Stock Based Compensation RSU's	Convertible Debentures Issued for Services	Total
E & R Holdings Ltd. (Robert Howard) ⁽¹⁾	\$145,000	\$22,161	\$ Nil	\$167,161
0809823 B.C. Ltd. (Sean MacNeil) ⁽²⁾	\$80,405	Nil	37,500	\$117,905

⁽¹⁾ On April 28, 2017, Experion reimbursed Mr. Howard \$25,000 resulting from a transaction whereby Experion received funds on behalf of Experion common shares sold by a company controlled by Mr. Howard. As of November 30, 2017 the Company was indebted to Mr. Howard in the amount of \$9,633.

⁽²⁾ On April 28, 2017, Experion credited Mr. MacNeil's due from a related party account \$25,000 resulting from a transaction whereby Experion received funds on behalf of Experion common shares sold by a company controlled by Mr. MacNeil.

As of November 30, 2017, Mr. MacNeil was indebted to the Company in the amount of \$25,758. The indebtedness primarily resulted from payments made to creditors of Mr. MacNeil in excess of amounts on account of Company activities. Mr. MacNeil was also responsible for the electrical and HVAC construction

of the Company's premises. During the performance of his duties, Mr. MacNeil directed the payment of \$142,520 to an electrical parts supplier which was \$64,895 in excess of invoices related to the project from the supplier. Mr. MacNeil's electrical services company invoiced the Company in the amount of \$107,607. The excess payments to the electrical parts supplier were charged against Mr. MacNeil's electrical services company invoices to the Company. Changes to the Company's system of internal controls have been made and Mr. MacNeil no longer provides services for the Company.

Mr. John Zang (a former director and corporate secretary of the Company) provided legal services to the Company in the amount of \$30,000 after the reverse takeover and \$45,000 before the reverse takeover. The Company no longer uses the legal services of Mr. Zang.

Other than the certain transactions included as due from a related party, the transactions are in the normal course of business and are measured at the exchange amounts agreed to by the parties.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the financial report and this MD&A (the "Filings") and that, based on their knowledge, and having exercised reasonable diligence, (a) the Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the filings; and (b) the financial report together with the other financial information included in the Filings fairly presents in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the Filings.

The Company's Internal Controls over Financial Reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining adequate ICFR for the Company. Management, including the CEO and CFO, does not expect that the Company's ICFR will prevent or detect all errors and all fraud or will be effective under all future conditions. A control system is subject to inherent limitations and even those systems determined to be effective can provide only reasonable, but not absolute, assurance that the control objectives will be met with respect to financial statement preparation and presentation.

Based on management's evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's internal controls over financial reporting were not effective as of November 30, 2017 as a result of the material weaknesses in the Company's internal control over financial reporting, primarily based on non-segregation of duties, improper source document approval and inadequate internal control procedures.

Notwithstanding these material weaknesses, the Company has concluded that the financial statements included in this report fairly present in all material respects its financial position, results of operations, capital position, and cash flows for the periods presented, in accordance with IFRS.

A material weakness, as defined in National Instrument 52-109 of the Canadian Securities Administrators, is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Remediation Plan and Activities

Senior management has discussed the aforementioned material weaknesses with the Audit Committee, and the Board will continue to review progress on these remediation activities on a regular and ongoing basis.

The material weaknesses cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

No assurance can be provided at this time that the actions and remediation efforts will effectively remediate the material weaknesses described above or prevent the incidence of other material weaknesses in the Company's internal control over financial reporting in the future. Management, including the Chairman and Chief Executive Officer and Chief Financial Officer, does not expect that disclosure controls and procedures or internal control over financial reporting will prevent all errors, even as the remediation measures are implemented and further improved to address the material weaknesses. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

CSA National Instrument 52-109 requires the Chief Executive Officer and Chief Financial Officer to certify that they are responsible for establishing and maintaining ICFR for the Company and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. Other than those described above, there have been no changes in the Company's internal control over financial reporting during the year ended November 30, 2017 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

Many factors could cause the Company's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking statements and forward-looking information, including without limitation, the following factors which should be reviewed in detail by all readers:

- The Company has a history of net losses, may incur significant net losses in the future and may not achieve or maintain profitability.
- The Company's ability to grow, store and sell medical cannabis in Canada are dependent upon licenses from Health Canada which are subject to ongoing compliance and reporting requirements.
- The activities of the Company are subject to regulation by governmental authorities, particularly Health Canada.
- The introduction of home and designated growing may have a negative impact on the Company's sales and infringe on the Company's market.
- Greater access to medical cannabis, through home and designated growing and illegal dispensaries, may decrease the number of patients registering with the Company and may cause registered patients to leave the Company and grow for themselves.
- Home and designated growing may increase access to cannabis in the illegal market, potentially impacting the public's perception of the Company, and the cannabis industry as a whole.
- The Company's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical cannabis but also

including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

- Third parties with which the Company does business may perceive that they are exposed to reputational risk as a result of the Company's medical cannabis business activities.
- The operation of the Company can be impacted by adverse changes or developments affecting the facilities of the Company's wholly-owned subsidiaries.
- The Company's ability to recruit and retain management, skilled labour and suppliers is crucial to the Company's success.
- The Company's growth strategy contemplates outfitting its facilities with additional production resources. A variety of factors could cause these activities to not be achieved on time, on budget, or at all. As a result, there is a risk that the Company may not have product or sufficient product available to meet the anticipated demand or to meet future demand when it arises.
- The Company and its wholly-owned subsidiaries have limited operating histories.
- Even if its financial resources are sufficient to fund its current operations, there is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing and there can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.
- There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company.
- The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of the Company's product.
- s 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 favorable to the medical cannabis market or any particular product, or consistent with earlier publicity.
- The Company and its wholly-owned subsidiaries 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 products of the Company's wholly-owned subsidiaries could be subject to the recall or return of their products for a variety of reasons. If a product recall or return should happen, the Company could be required to incur unexpected expenses and divert management attention and could see harm caused to its image as well as a decline in product sales. In addition, as result of the product recall or return, the Company and its wholly-owned subsidiaries could face increased operational scrutiny by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.
- Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company.
- The Company is largely reliant on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.
- The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls.
- The Company may engage in acquisitions or other strategic transactions or make investments that could result in significant changes or management disruption, including but not limited to:
 - The Company could fail to integrate acquired companies into the business of the Company.
 - Completed acquisitions, strategic transaction or investments could fail to increase shareholder value.

- Certain of the Directors and Officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.
- The Company may become a party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business.
- The market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control.
- There can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell any securities of the Company.
- A substantial number of common shares are owned by a limited number of existing shareholders and as such these shareholders are in a position to exercise influence over matters requiring shareholder approval or cause delay or prevent a change in control of the Company that could otherwise be beneficial to the Company's shareholders.
- The Company does not anticipate paying any dividends on common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.
- 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 has, and will have, certain business arrangements with third parties, the breakdown/loss of which could impact its operations.