Street Capital Inc. (formerly, The Hash Corporation)

For the years ended December 31, 2025, and 2024

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

As used in this management's discussion and analysis of financial condition and results of operations ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "we", "us" or "our" refer to Street Capital Inc. (formerly, The Hash Corporation), as constituted on December 31, 2025.

This MD&A for the years ended December 31, 2025, and 2024 should be read in conjunction with the Company's audited financial statements, and the accompanying notes for the years ended December 31, 2025, and 2024. The financial information presented in this MD&A is derived from the Company's audited financial statements for the years ended December 31, 2025, and 2024, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in Canadian dollars except where otherwise indicated.

This MD&A is dated as of May 1, 2026.

FORWARD-LOOKING INFORMATION

The information provided in this MD&A, including information incorporated by reference, may contain certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian legislation about our current expectations, estimates and projections about the future, based on certain assumptions made by us in light of the Company's experience and perception of historical trends. Although we believe that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is identified by words such as "anticipate", "believe", "expect", "plan", "forecast", "future", "target", "project", "capacity", "could", "should", "focus", "proposed", "scheduled", "outlook", "potential", "may" or similar expressions and includes suggestions of future outcomes, including statements about the Company's intention to produce and the expected costs and timing thereof; the Company's proposed collaboration agreements with other entities; the Company's expected production capacity; the estimated costs of the Company's proposed capital projects and future investments; potential proceeds from the exercise of the Company's outstanding share purchase warrants; actions taken by the Company, or that the Company may take in the future, to adjust its capital structure; potential effects of regulations under the Cannabis Act (Canada) (together with the regulations thereunder (the "Cannabis Regulations"), the "Cannabis Act") and related legislation introduced by provincial governments. Readers are cautioned not to place undue reliance on forward-looking information as the Company's actual results may differ materially from those expressed or implied.

The Company has made certain assumptions with respect to the forward-looking statements regarding, among other things: the Company's ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; general economic, financial market, regulatory and political conditions in which the Company operates; the expected yield from the Company's operations; interest in the Company's products or services; anticipated and unanticipated costs; government regulation of the Company's activities; the timely receipt of any required regulatory approvals; the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the Company's ability to conduct operations in a safe, efficient and effective manner; and the Company's expansion plans and timeframe for completion of such plans.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to several factors and risks. These include, but are not limited to: the limited operating history of the Company and history of losses; the Company's ability to continue as a going concern; the Company's ability to generate sufficient revenue to be profitable; the Company's ability to raise the capital necessary for it to execute its strategy; increased competition in the cannabis markets in Canada and internationally; rising energy costs; the Company's reliance on key persons; the Company's compliance with environmental, health and safety laws and regulations; insurance risks; interruptions in the supply chain for key inputs; demand for skilled labour, specialized knowledge, equipment, parts and components; reliance on the operations of the Company's *partners; results of litigation; conflicts of interest between the Company and its directors and officers; payment of dividends; the partial dependence of the Company's operations on the maintenance and protection of its information technology systems; unforeseen tax and accounting requirements; regulatory risks relating to compliance with the Cannabis Act and Cannabis Regulations; changes in laws; changes to the market price of cannabis; the ability of the Company to produce and sell cannabis supply with collaboration agreements; failure to execute definitive agreements with entities in which the Company has entered into letters of intent or memoranda of understanding; changes in government; changes in government policy; failure of counterparties to perform contractual obligations; the Company's ability to successfully develop new products or find a market for their sale; lack of certainty regarding the expansion of the cannabis market; ability of key employees of the Company to obtain or renew security clearances in the future; reputational risks to third parties with whom the Company does business; failure to comply with laws and regulations; the Company's reliance on its own market research and forecasts; competition from synthetic production and new technologies; the existence and growth of the cannabis industry; misconduct or other improper activities by employees, independent contractors, consults, commercial partners and vendors; failure to comply with health and data protection laws; inability to obtain or maintain sufficient intellectual property protection for the Company's products; third-party claims of intellectual property infringement; patent terms being insufficient to protect competitive position on product candidates; inability to obtain patent term extensions or non-patent exclusivity; inability to protect the confidentiality of trade secrets; inability to protect trademarks and trade names; and other factors beyond the Company's control.*

The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such 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 forward-looking statements.

The forward-looking statements contained or incorporated by reference in this MD&A are made as of the date of this MD&A or as otherwise specified. Except as required by applicable securities laws, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors affecting those statements, whether as a result of new information, future events or otherwise or the foregoing lists of factors affecting this information.

All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

OVERVIEW

Street Capital Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) on March 28, 1967, as Northville Explorations Ltd. On January 22, 2014, the Company changed its name to Senternet Phi Gamma Inc. and on July 8, 2019, the Company changed its name to The Hash Corporation. On November 19, 2024, the Company changed its name to its current name, Street Capital Inc.

From 2019 until May 23, 2024, the Company was focused on the production and sale of cannabis-based hashish and other cannabis products through a Collaboration Agreement with Medz Cannabis Inc. ("Medz") an Ontario-based, privately-owned company, licensed for the cultivation, processing and sale of medical cannabis under the Cannabis Act. Since May 23, 2024, the Company has been inactive.

On June 3, 2021, the Company's common shares commenced trading on the Canadian Securities Exchange (the "CSE") under the stock ticker "REZN". The Company's common shares currently trade with the new ticker symbol "STRC.X" on the CSE.

The head office of the Company is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.

On November 18, 2024, the Company sold substantially all its assets for $350,000. Effective November 19, 2024, the Company changed its name to "Street Capital Inc." and commenced trading under the symbol "STRC.X" on the CSE.

SELECTED FINANCIAL HIGHLIGHTS

	As at December 31, 2025	As at December 31, 2024	Change	
	$	$	$	%
Cash	**78,639**	181,282	(102,643)	-57%
Total assets	**78,639**	211,184	(132,545)	-63%
Total liabilities	**390,345**	366,944	23,401	6%

Cash balance as of December 31, 2025, was $78,639, representing a decrease of $102,643 from $181,282 as of December 31, 2024. All cash disbursements during FY2025 resulted from legal, audit, and general administrative fees related to the Company's ongoing maintenance costs.

Total assets as of December 31, 2025, were $78,639, representing a decrease of $132,545 from $211,184 as of December 31, 2024. The decline was the result of the sale of the Company's net assets during the year ended December 31, 2024. All Company assets reflect cash and cash equivalents as of December 31, 2025.

Total liabilities as of December 31, 2025, were $390,345 representing an increase of $23,401 from $366,944 as of December 31, 2024. Liabilities primarily incorporate CFO salary accruals, regulatory fees, and legal fees.

RESULTS OF OPERATIONS

The following table outlines our statements of income (loss) and comprehensive income (loss) for the three months and years ended December 31, 2025, and 2024 are as follows:

For the years ended December 31,

	2025	2024	Change	
	$	$	$	%
Expenses				
Salaries and wages	**48,000**	—	48,000	100%
General and administrative	**56,345**	30,614	25,731	84%
Professional fees	**64,234**	78,722	(14,488)	-18%
Total operating expenses	**168,579**	109,336	59,243	54%
Operating loss from continuing operations	**(168,579)**	(109,336)	(59,243)	54%
Other income	**12,633**	—	12,633	100%
Gain on repayment of convertible debt	**—**	97,372	(84,739)	-671%
Net loss from continuing operations	**(155,946)**	(11,964)	(143,982)	1203%
Operating loss from discontinued operations	**—**	(182,627)	182,627	-100%
Gain on sale of assets	**—**	435,054	(435,054)	-100%
Net income from discontinued operations	**—**	252,427	(252,427)	-100%
Net income (loss) and comprehensive income (loss)	**(155,946)**	240,463	(396,409)	-165%

	Three months ended December 31,			
	2025	**2024**	**Change**	
	$	$	$	%
Revenue	—	(325,072)	325,072	-100%
Expenses				
Salaries and wages	**12,000**	(103,852)	115,852	-112%
General and administrative	**10,243**	(106,620)	116,863	-110%
Production expenditures	—	(145,352)	145,352	-100%
Professional fees	**20,491**	10,186	10,305	101%
Amortization and depreciation	—	(20,307)	20,307	-100%
Accretion on convertible debentures	—	(3,716)	3,716	-100%
Total operating expenses (recovery)	**42,734**	(369,661)	412,395	-112%
Operating (loss) income from continuing operations	**(42,734)**	44,589	(87,323)	-196%
Gain on repayment of convertible debt	**21,146**	97,372	(76,226)	-78%
Net (loss) income from continuing operations	**(21,588)**	141,961	(163,549)	-115%
Operating (loss) from discontinued operations	—	(182,627)	182,627	-100%
Gain on sale of assets	—	435,054	(435,054)	-100%
Net income from discontinued operations	—	252,427	(252,427)	-100%
Net (loss) income and comprehensive (loss) income	**(21,588)**	394,388	(415,976)	-105%

On May 23, 2024, the Company sold all its net operating assets (liabilities). The Company received cash proceeds of $350,000.

The calculation of the gain on sale is as follows:

Loan receivable	$	50,000
Equipment		11,606
Trade and other payables		(85,996)
Sales taxes payable		(60,664)
Net liabilities		(85,054)
Proceeds on sale		350,000
Gain on sale of assets	**$**	**435,054**

The sale of assets meets the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The statements of income (loss) and comprehensive income (loss) show the discontinued operations separately from continuing operations.

The breakdown of the income from discontinued operations for the year ended December 31, 2024, was as follows:

Revenue	$ 320,663
Salaries and wages	(121,852)
General and administrative	(136,571)
Production expenditures	(158,104)
Professional fees	(72,212)
Amortization and depreciation	(10,835)
Accretion on convertible debentures	(3,716)
Gain on sale of assets	435,054
Income from discontinued operations	**$ 252,427**

REVIEW OF OPERATIONS FOR THE THREE MONTHS AND YEARS ENDED DECEMBER 31, 2025, AND 2024

Revenue

Revenue for the three months and year ended December 31, 2025, and 2024 was $Nil. During the three months ended December 31, 2024, the Company reclassed total revenues to discontinued operations.

Salaries and wages

Salaries and wages for the three months and year ended December 31, 2025, were $12,000 and $48,000 respectively.

During the three months ended December 31, 2024, the Company reclassed total salaries and wages expense to discontinued operations.

General and administrative

General and administrative expenses are comprised of marketing, office and general, and travel, meals and entertainment expenses. During the three months and year ended December 31, 2025, the Company incurred general and administrative expenses of $10,243 to $56,345, respectively. During the year ended December 31, 2024, the Company reclassed $136,571 from general and administrative expense to discontinued operations resulting in $30,614 in general and administrative expenses in the statement of loss/income for the year ended December 31, 2024.

Production expenditures

Production expenditures for the three months and year ended December 31, 2025, was $Nil. During the year ended December 31, 2024, the Company reclassed total production expenditures to discontinued operations.

Professional fees

Professional fees for the three months and year ended December 31, 2025, were $20,491 and $64,234, respectively. During the year ended December 31, 2024, the Company reclassed $72,212 of its professional fees to discontinued operations resulting in $78,722 in professional fees in the statement of loss/income for the year ended December 31, 2024. Professional fees constitute legal and audit fees related to the Company's ongoing maintenance costs.

Amortization and depreciation

Amortization and depreciation expenses for the three months and year ended December 31, 2025, was $Nil. Depreciation is related to equipment, and amortization is related to the right of use assets. The total balance of $10,835 for the year ended December 31, 2024, was reclassed to discontinued operations.

Accretion on convertible debenture

Accretion on convertible debentures of $3,716 for the year ended December 31, 2024, was reclassed to discontinued operations. Please refer to Note 5 in the financial statements for the years ended December 31, 2025, and 2024.

SELECTED QUARTERLY INFORMATION

The following table sets forth selected unaudited quarterly statements of operations data for each of the eight quarters commencing January 1, 2024, and December 31, 2025. The information for each of these quarters has been prepared on the same basis as the audited financial statements for the year ended December 31, 2025. This data should be read in conjunction with our audited annual financial statements for the year ended December 31, 2025. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period. The period ended December 31, 2024, includes the reclassification of revenues and expenses to discontinued operations and should be read in conjunction with the section of the MD&A above. Prior year quarters have not been adjusted to reflect the reclassification of revenues and expenses to discontinued operations, where applicable.

	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-24
	$	$	$	$	$	$	$	$
Revenue (expense)	-	-	-	-	(325,072)	113,737	127,950	83,385
Total operating expenses (income)	42,734	26,114	60,069	39,662	(369,661)	134,976	150,464	193,557
Net income (loss) – continuing operations	(21,588)	(26,114)	(60,069)	(48,175)	141,961	(21,239)	(22,514)	(110,172)
Net income (loss) - discontinued	-	-	-	-	252,427	-	-	-
Net income (loss) per share - basic and diluted	(0.000)	(0.000)	(0.000)	(0.000)	0.000	(0.000)	(0.000)	(0.000)

FINANCIAL POSITION

As at	December 31, 2025	December 31, 2024	Change	
	$	$	$	%
ASSETS				
Current assets				
Cash	**78,639**	181,282	(102,643)	-57%
Trade receivables	**—**	29,902	(29,902)	-100%
	78,639	211,184	(132,545)	-63%
Total assets	**78,639**	211,184	(132,545)	-63%
LIABILITIES				
Current liabilities				
Trade and other payables	**390,345**	366,944	23,401	6%
	390,345	366,944	23,401	6%
SHAREHOLDERS' DEFICIENCY				
Share capital	**11,974,207**	11,974,207	—	—
Contributed surplus	**2,079,999**	2,079,999	—	—
Accumulated deficit	**(14,365,912)**	(14,209,966)	(155,946)	1%
	(311,706)	(155,760)	(155,946)	50%
	78,639	211,184	(132,545)	-169%

Assets

Current assets

Current assets decreased by $132,545 or 63%, primarily due to the sale of assets during the year ended December 31, 2024.

Liabilities

Current liabilities

Trade and other payables increased by $23,401 during the year ended December 31, 2025, as a result of legal and audit fees, and salary accruals related to continued operations of the Company.

Shareholders' deficiency (equity)

Shareholders' deficiency amounted to $311,706 as of December 31, 2025 (December 31, 2024 - $155,760), reflecting a decrease of $155,946, or 50% from December 31, 2024. This change is attributable to the net loss of $155,946 incurred during the year ended December 31, 2025, mainly as a result of ongoing Company maintenance costs and general administrative expenses.

LIQUIDITY, CAPITAL RESOURCES AND FINANCING

The general objectives of our capital management strategy are to preserve our capacity to continue operating, provide benefits to our stakeholders and provide an adequate return on investment to our shareholders by continuing to invest in our future that is commensurate with the level of operating risk we assume. We determine the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and risks of the underlying assets. We are not subject to any externally imposed capital requirements.

The financial statements and this MD&A have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The financial statements and this MD&A do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As at December 31, 2025, the Company has an accumulated deficit of $14,365,912 (December 31, 2024 – $14,209,966) and working capital deficit of $311,706 (December 31, 2024 – $155,760). For the year ended December 31, 2025, the Company incurred a net loss from continuing operations of $155,946 (2024 – $11,974). Whether, and when, the Company can attain profitability and positive cash flows from operations is subject to material uncertainty. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so. While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future. The Company will need to raise capital to fund its operations. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations. The above events and conditions indicate there is a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

As at December 31, 2025, the Company had cash of $78,639, representing a decrease of $102,643 from December 31, 2024.

Cash flows

	For the years ended December 31,	
	2025 $	**2024** $
Cash beginning of the year	**181,282**	24,867
Net cash (used in) provided by:		
Cash (used in) operating activities	**(102,643)**	(19,240)
Cash provided by financing activities	**—**	175,655
Net change	**(102,643)**	156,415

Cash, end of the year	**78,639**	181,282

Cash Flows Used in Operating Activities

Cash used in operating activities increased to $102,643 for the year ended December 31, 2025, from cash used in operating activities of $19,240 in the prior year, mainly due to ongoing company maintenance costs associated with legal, audit, and salary accruals.

Cash Flows Provided by Financing Activities

Cash flows from financing activities for the year ended December 31, 2025, were $Nil compared to cash flows provided of $175,655 in the prior year. The decrease in financing cash flows was mainly due to the absence of the $350,000 payment received from the sale of its assets during the prior year.

CONTRACTUAL OBLIGATIONS

The Company has no significant contractual arrangements other than those noted in the financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements other than those noted in the financial statements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those who have the authority and responsibility for planning, directing, and controlling the entity's activities, directly or indirectly.

Key management personnel compensation for the years ended December 31, 2025, and 2024 is comprised of:

	2025 **$**	2024 $
Salaries, benefits, bonuses and other fees	**48,000**	48,000
Total	**48,000**	48,000

During the year ended December 31, 2022, Debentures were issued to the CEO, COO of the Company and to an entity related to the CFO of the Company. For the year ended December 31, 2024, the Company recognized accretion on the Debentures of $3,716.

At December 31, 2025, the Company owed such related parties $357,000 (December 31, 2024 – $309,000), included in trade and other payables.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

The aging of trade receivables is as follows:

	December 31, 2025	December 31, 2024
	$	$
Current	**—**	21,388
31 to 60 days	**—**	—
> 60 days	**—**	8,514
Total trade receivables	**—**	29,902

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables. As at December 31, 2025, allowance for expected credit losses is $nil (December 31, 2024 – $nil).

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of these financial statements.

The Company is obligated to the following contractual maturities of undiscounted cash flows as at December 31, 2025, and 2024.

		Contractual cash flows			
As at December 31, 2025	**Carrying amount**	**Year 1**	**Year 2**	**Year 3 and beyond**	**Total contractual cash flows**
	$	$	$	$	$
Trade and other payables	**390,345**	**390,345**	—	—	**390,345**
Total	**390,345**	**390,345**	—	—	**390,345**

		Contractual cash flows			
As at December 31, 2024	**Carrying amount**	**Year 1**	**Year 2**	**Year 3 and beyond**	**Total contractual cash flows**
	$	$	$	$	$
Trade and other payables	366,944	366,944	—	—	366,944
Total	366,944	366,944	—	—	366,944

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

- Foreign currency risk

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is not exposed to foreign currency risk as at December 31, 2025, as it does not hold any material financial instruments in foreign currency.

- Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at December 31, 2025, as the interest rates on the convertible debentures are fixed.

- Other price risk

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its Company, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at December 31, 2025.

Fair values

The carrying values of cash, trade receivables and trade and other payables approximate fair values due to the short-term nature of these items or they are being carried at fair value. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1 – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. For the years ended December 31, 2025, and 2024, there were no financial instruments recorded at fair value.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to the audited financial statements for December 31, 2025, for a full discussion of our critical accounting policies and estimates.

RISK RELATED TO THE OPERATIONS OF THE COMPANY

An investment in the securities of the Company should be considered highly speculative due to the nature of the Company's proposed business and the present stage of its development. In evaluating the Company and its new business, prospective investors should carefully consider the following risk factors, in addition to the other information contained in this MD&A. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks occur, the Company's business, financial condition or results of operations could be materially adversely affected.

The Company's actual operating results may be very different from those expected as at the date of this MD&A.

Risks Related to the Company's Business and Industry

Reliance on Management and Key Personnel

The Company's success is largely dependent on the performance of its Board of Directors and management team. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of any of the Company's senior management or key employees, or an inability to attract other suitably qualified persons when needed, could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all.

Additional financing

The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Company's current business strategy or the Company ceasing to carry on business. 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 favourable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the shares. In addition, from time to time, the Company may enter into transactions to acquire assets or shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Competition

The Company faces competition from other companies, some of which have longer operating histories and more financial resources and marketing experiences. There can be no assurance that potential competitors of the Company, which may have greater financial, R&D, sales and marketing and personnel resources than the Company, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Company or which would otherwise render the Company's products or strategies obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

The Company is subject to insurance risks

The Company's business is subject to several risks and hazards generally, including adverse environmental conditions, cybersecurity and other information technology, systems risks, accidents, labour disputes, product liability and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although the Company maintains and intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Risks Related to Intellectual Property

As of the date of this MD&A, the Company does not have its own proprietary formulations and processes with respect to the production of hashish. In the future, the Company's success and ability to compete effectively may depend, in part, on its ability to maintain the proprietary nature of formulations and processes it creates, and the ability to secure and protect any patents, trade secrets, trademarks and other intellectual property rights either developed internally or acquired by the Company from time to time, and to operate without infringing on the proprietary rights of others or having third parties circumvent the rights that it owns or licences. If the Company's intellectual property rights were to be infringed by, disclosed to or independently developed by a competitor, enforcing a claim against such third party could be expensive and time-consuming and could divert management's attention from our business. In addition, the outcome of such proceedings is unpredictable. Any adverse outcome of such litigation or settlement of such a dispute could subject the Company to significant liabilities, and could put one or more of the Company's patents or patent application, as applicable, at risk of being not issued, of being invalidated, or of being interpreted narrowly.

The Company's commercial success will also depend, in part, on operating its business without infringing the patents or proprietary rights of third parties. Third parties that believe the Company is infringing on their rights could bring actions against it claiming damages and seeking to enjoin the development, marketing and distribution of its products. If the Company becomes involved in any litigation, it could consume a substantial portion of its resources, regardless of the outcome of the litigation. If any of these actions are successful, the Company could be required to pay damages and/or to obtain a licence to continue to develop or market its products, in which case it may be required to pay substantial royalties. However, any such licence may not be available on terms acceptable to the Company or at all. Ultimately, the Company could be prevented from commercializing a product or forced to cease some aspect of its business operations because of patent infringement claims, which would harm its business.

Reliance on management; dependence on suppliers and skilled labour

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. Its future success will depend on its ability to attract, develop, motivate and retain highly qualified personnel. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the loss of any key senior management could materially adversely affect the Company's ability to execute its business plan, and it may not be able to find adequate replacements on a timely basis, or at all.

The ability of the Company to compete and grow will also be dependent on it having access, at a reasonable cost and in a timely manner, to non-management skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

Risks related to third party relationships

The Company currently has, and may in the future enter, strategic alliances with third parties that the Company believes will complement or augment its existing business or will have a beneficial impact on the Company. Strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Company's business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

Liability arising from fraudulent or Illegal activity

The Company is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized activities, or reckless or negligent undertakings of authorized activities, in each case on the Company's behalf or in its service that violate (i) various laws and regulations, including healthcare laws and regulations, (ii) laws that require the true, complete and accurate reporting of financial information or data, (iii) the terms of the Company's agreements with third parties. Such misconduct could expose the Company to, among other things, class actions and other litigation, increased regulatory inspections and related sanctions, and lost sales and revenue or reputational damage.

The Company cannot always identify and prevent misconduct by its employees and other third parties, including third party service providers, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown, unanticipated or unmanaged risks or losses or in protecting it from governmental investigations or other actions or lawsuits stemming from such misconduct. 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 its business, including the imposition of civil, criminal or administrative penalties, damages, monetary fines and contractual damages, reputational harm, diminished profits and future earnings or curtailment of its operations.

Difficulty to forecast

Detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis extracts 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.

Operating risk and insurance coverage

The Company has insurance to protect its assets, operations and employees. While the Company believes its insurance coverage addresses all material risks to which it is 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.

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 of the Company 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 of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Management may not be able to successfully implement and maintain adequate internal controls over financial reporting or disclosure controls and procedures.

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken a number of procedures and has implemented a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in us and our reported financial information, which in turn could result in a reduction in the value of Common Shares.

Conflicts of interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors 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. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Unpredictable and volatile market price for shares

The market price for the shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- Actual or anticipated fluctuations in the Company's quarterly results of operations
- Recommendations by securities research analysts
- Changes in the economic performance or market valuations of companies in the industry in which the Company operate
- Addition or departure of the Company's executive officers and other key personnel
- Release or expiration of lock-up or other transfer restrictions on outstanding Company shares
- Sales or perceived sales of additional Company shares
- Significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors
- Operating and share price performance of other companies that investors deem comparable to the Company
- Fluctuations to the costs of vital production materials and services
- Changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility
- Operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies
- News reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets

Financial markets may experience price and volume fluctuations that may affect the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the shares may decline even if the Company's operating results, underlying asset values or prospects do not change. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses.

Tax and accounting requirements may change in ways that are unforeseen to us, and we may face difficulty or be unable to implement or comply with any such changes.

The Company is subjected to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on our financial results, the way we conduct our business or the marketability of any of our products.

No dividends

The Company's current policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Company. Therefore, the Company does not anticipate paying cash dividends on the Company shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by its Board of Directors in the context of its earnings, financial condition and other relevant factors. Until the time that the Company does pay dividends, which it might never do, its shareholders will not be able to receive a return on their shares unless they sell them.

Future sales of Company shares by existing shareholders

Sales of a substantial number of shares in the public market could occur at any time. These sales, or the market perception that the holders of many shares intend to sell shares, could reduce the market price of our shares. Holders of options to purchase shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying shares). As a result, these holders may need to sell shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of shares being sold in the public market, and fewer long-term holds of shares by management and our employees.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares.

The Company's outstanding capital was as follows as at the date of this MD&A:

Common Shares	280,449,742
Share Options	-
RSUs	-
Convertible debentures	-

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of 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 is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles (IFRS). The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture Company to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.