MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
As at May 31, 2018
Date: July 11, 2018

The following discussion and analysis provide a review of activities, results of operations and financial condition of Sumtra Diversified Inc. (the "Company") for the nine months ended May 31, 2018 in comparison with those for the nine months ended May 31, 2017. It should be read in conjunction with the audited Financial Statements and accompanying notes of the Company for the respective years ended August 31, 2017 and August 31, 2016.

Results of continuing operations of the core business

During the nine months ended May 31, 2018, the Company incurred expenses of $38,223 compared with $70,982 for the corresponding nine months ended May 31, 2017. The decrease was due in large part to the fact that the Company incurred significantly less in professional fees in the most recent nine month period by comparison to the prior period. The prior period included professional fees related to a potential business combination transaction.

Revenue increased to $2,213 for the nine months ended May 31, 2018 from $1,924 for the nine months ended May 31, 2017.

The net loss for the nine months ended May 31, 2018 was $(36,010) compared to a net loss of $(69,058) for the nine months ended May 31, 2017.

Two Year Quarterly Financial Information (Figures in thousands except per share amounts)

Quarter	**Revenue**	**Net (Loss)**	**Net(Loss)per share**	
2018				
Q3	-	(7)	$ (0.001)	
Q2	1	(12)	$ (0.002)	
Q1	1	(17)	$ (0.003)	
2017				
Q4	-	(20)	$ (0.003)	
Q3	1	(8)	$ (0.001)	
Q2	-	(32)	$ (0.005)	
Q1	1	(29)	$ (0.004)	
2016				
Q4	-	(26)	$ (0.003)	

Working Capital and Liquidity

Working capital, the excess of current assets over current liabilities, decreased to $261,094 at May 31, 2018 compared to $297,104 at August 31, 2017. The Company has no current plans for any major expenditures going forward and is maintaining its cash resources in secure short-term bank certificates of deposit to ensure cash is available to fund current operating overheads.

Outstanding Share Data

The Company has an unlimited number of authorized common shares.

The number of issued and outstanding common shares at May 31, 2018 was 6,237,400.

Selected Annual Information

	Selected Annual Information		
	Aug-31 2017	Aug-31 2016	Aug-31 2015
Total Revenue	$ 2,330	$ 3,143	$ 702,959
Net Income (Loss)	$ (89,395)	$ (84,494)	$ 322,621
Income (Loss) per share-Basic and Diluted	$ (0.01)	$ (0.01)	$ 0.05
Total assets	$ 310,710	$ 413,476	$ 487,640
Total non-current financial liabilities	$ nil	$ nil	$ nil
Cash dividends declared per-share	$ nil	$ nil	$ nil

Related Party Transactions

During the nine months ended May 31, 2018 $8,136 (2017 - $8,136) was paid for routine corporate secretarial and accounting services to a shareholder and officer of the Company.

Letter of Intent

On January 10, 2018 the Company entered into a binding letter of intent to acquire a 100% interest in MJAR Holdings, LLC in a business combination transaction that would constitute a reverse take-over and change control of the Company (the "Proposed Transaction"). As well on May 22, 2018 the Company entered into an amendment to the binding letter of intent, which included changes to extend the time required to finalize the terms of the Proposed Transaction and enter into the definitive agreement, and the addition of a provision granting a "break fee" of $200,000 to the Company in certain circumstances. The documentation related to the Proposed Transaction has been filed on SEDAR.

The closing of the Proposed Transaction is subject to the execution of definitive documentation, the completion of due diligence, and the receipt of all necessary regulatory, shareholder, and third party consents and approvals.

Investor Relations

Investor Relations activities during the period consisted of providing investor and broker information in response to inquiries. Additional information relating to the Company is available on SEDAR at www.sedar.com.