PARK LAWN COMPANY LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three-month Periods Ended June 30, 2018 and 2017

Introduction

The following Management's Discussion and Analysis ("MD&A") covers the operations, financial position and operating results of Park Lawn Company Limited (the "Company" or "Park Lawn") for the quarters ended June 30, 2018 and June 30, 2017 and is intended to help readers better understand the operations and key financial results, as they are, in our opinion, at the date of this report. The MD&A has been prepared in accordance with National Instrument 51-102F1, Continuous Disclosure Obligations, and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2017 and the accompanying notes. Information contained in this management's discussion and analysis is based on information available to management as of August 24, 2018, the date that the Board of Directors approved the consolidated unaudited interim financial statements for the three- and six-month periods ending June 30, 2018.

Additional information relating to Park Lawn Company Limited is filed at SEDAR at www.sedar.com and at CSE at www.thecse.com or can be obtained by contacting Investor Relations, Park Lawn Company Limited, 21 St. Clair Ave East, Suite 1001, Toronto, ON, M4T 1L9.

Historically, Park Lawn prepared its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Handbook of The Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011.

These statements are essentially forward-looking and are subject to risks and uncertainties, as described in the "Risks and Uncertainties" section below. Actual results, levels of activity, performance or achievements could differ materially from those projected, discussed or contemplated herein and are dependent upon on a number of factors, including the approval of the application for an amendment to the City of Toronto Official Plan and Zoning Bylaw for the Company's 2.9 acre parcel of land ("the Land"), of which the Company holds a 20% interest, as at June 30, 2018, following the sale of 80% of its interest in the Land to a third-party developer in January, 2016.

Unless otherwise noted, all amounts in this MD&A are presented in Canadian funds, which is the functional currency of the Company.

Park Lawn Company Limited shares are listed on the Canadian Securities Exchange (CSE) under the symbol PRL.

Forward-looking Statements

This MD&A contains forward-looking statements and information within the meaning of applicable securities legislation. These forward-looking statements reflect management's current beliefs and are based on assumptions and information currently available to the management of the Company. In some cases, forward-looking statements can be identified by terminology such as* "may", "will", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "forecast", "outlook", "potential", "continue", "should", "likely", *or the negative of these terms or other comparable terminology. Although management believes that the anticipated future results, performance, or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, readers should not place undue reliance on forward-looking statements and information, because they involve assumptions, known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance, or achievements expressed or implied by such forward-looking statements and information. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, general and local economic conditions; and risk matters noted in the Overview; Impairment Testing of Property; Business Environment and Outlook; and, Risks and Uncertainties sections of this MD&A. The Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by law.

Overview

Park Lawn Company Limited ("the Company") ("Park Lawn") owns a 20% interest in the 2.9 acre parcel of land at 57 Linelle Street, Toronto, Ontario, holds a vendor take back mortgage from Mattamy Development Corporation ("Mattamy") in the amount of $4,920,000, and, as at December 31, 2016, owned 262,092 shares of Park Lawn Corporation. As discussed below, during its 2017 fiscal year, the Company sold 210,000 of those shares resulting in gains for accounting and income tax purposes. The Company's investment property located at 53 Linelle Street, comprising a house and land, was sold to a third party during the third quarter of its December, 2016 fiscal year, resulting in a pre-tax accounting gain, net of commissions and related costs, of $323,369.

On January 6, 2016 the Company announced that it had completed the transaction with Mattamy Development Corporation ("Mattamy"). The parties entered into an agreement for the development of the Company's property ("the Land") located at 57 Linelle Street, Toronto. Mattamy acquired an 80% interest in the land for $8.2 million. 30% of the purchase price was paid in cash upon closing with an additional 10% payable and paid in cash within 120 days of closing. For the balance of 60%, the Company has taken back a mortgage for up to three years. Interest is payable on the mortgage at 4.8% per year, with, no interest payable for 18 months subsequent to completion of the transaction, and 4.8% per annum thereafter, commencing July 2017. Under the terms of the transaction, Mattamy made two cash payments to the Company totaling $118,403 to the Company prior to December 31, 2017. The Company has retained a 20% interest in the Land and has entered into a co-ownership agreement with Mattamy. The co-owners' agreement contemplates the development of the land for low-rise (i.e. single family homes) residential development. Under this agreement, Mattamy will be responsible for managing the approval process, site servicing and sale and construction of the units.

The Company and Mattamy will divide profits from the development with the Company receiving 20% and Mattamy 80%. Based upon terms of the agreement with Mattamy and current market conditions, management of Park Lawn could receive total pretax income of $8.7 million to over $11 million from the project. The sale to Mattamy resulted in a pre-tax accounting, net of commissions and related costs, of $5,806,496. In addition, with the expected development of the Land, the Company sold its rental property located at 53 Linelle Street, Toronto, to a third party as described above.

With the January 6, 2016, sale and the assumption by Mattamy of responsibility for the management and completion of the approval process for rezoning of the Land for low-rise (i.e. town house) residential development with the City of Toronto, management believes that the Company is no longer subject to material risk associated with this particular residential real estate development in Toronto. In the future, the Company may enter into additional real estate developments and again become subject to those risks.

Prior to the end of its second 2016 fiscal quarter, the Company held a subordinated, secured promissory note ("the Note") due from Park Lawn Limited Partnership ("PLLP"), with a principal of $5,096,498, bearing interest at 5.5% per annum. During the Company's third fiscal quarter of 2016, this note was settled, with the Company receiving a cash payment of $1,000,000 and the issuance of 262,092 shares ("the Shares") of Park Lawn Corporation ("PLC"). The value of those shares on the TSX-V on the date of settlement of the Note was approximately $15.11 per share, resulting in a pre-tax accounting and capital loss of $136,288. From the date of settlement, the PLC shares were subject to a holding period of six months. During its fiscal 2017 year, the Company sold 210,000 PLC shares. The 52,092 remaining Shares, which are traded on the Toronto Stock Exchange, had a closing price of $22.85 per share as at December 31, 2017. On March 27, 2018 the Company sold 15,000 of its PLC for proceeds of $27.00 per share before commissions. As at June 30, 2018, the market value of these shares was $24.35 per share.

On May 23, 2017, the Company announced that it would be making a Normal Course Issuer Bid ("NCIB") through the facilities of the Canadian Securities Exchange. Under the NCIB, the Company would purchase for cancelation a maximum of 49,603 shares representing up to 10% of the public float of the currently issued and outstanding shares of the Company. As at December 31, 2017, the company had purchased 49,303 of its outstanding shares and all purchased shares had been cancelled as of December 31, 2017. On December 1, 2017 the Company announced that it was cancelling the NCIB.

On June 13, 2018 the Company announced that it would be conducting a Normal Course Issuer Bid ("NCIB") through the facilities of the Canadian Securities Exchange. Under the NCIB, the Company will purchase up to 44,672 shares representing up to 10% of the public float of the currently issued and outstanding shares of the Company. The normal course issuer bid is expected to commence on or about June 14, 2018 and will not extend beyond June 13, 2019. Any purchases will be made by the Company at the prevailing market prices of the shares at the time of purchase. All shares purchased will be cancelled.

Consolidation

The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries (including Kening Properties Limited and Westside Cemetery Holdings Limited). All significant accounts and transactions between consolidated entities are eliminated. Should there be a party with a minority interest in a property that the Company controls, that minority interest would be reflected as "Non-controlling interest" in the consolidated statements of financial position.

Financial Statements and Accounting Principles

The Company's significant accounting policies are summarized in Note 2 to its consolidated financial statements. There have been no changes in significant accounting policies from the Company's 2017 audited annual financial statements. In addition, there has been no change in the Company's financial instrument risks and policies except as discussed in Note 4 to those statements.

The following Management's Discussion and Analysis provides a review of corporate and market developments, results of operations and financial position for the three-month period ended June 30, 2018 with comparative information. Information contained in this Management's Discussion and Analysis is based on information available to management as of August 24, 2018.

Results of Operations

For the fiscal quarter ended June 30, 2018, total revenue from operations was $76,156 (2017 - $30,131). The primary sources of the Company's operating revenue were interest earned on its short-term investments, and cash on deposit in an aggregate amount of $10,205 (2017 – $15,262), interest earned on the Mattamy mortgage vendor take back of $58,231 (2017 - $Nil), and dividends paid by Park Lawn Corporation of $7,720 (2017 - $14,689). Expenses for the quarter ended June 30, 2018, were $124,081 (2017 - $143,618), a net decrease of $19,537 due primarily to professional fees associated with the agreement with Mattamy.

The table below presents a comparative analysis of the Company's operating expenses.

	3 months ended June 30, 2018	3 months ended June 30, 2017	Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
Management and professional	$ 96,940	$ 112,893	$ (15,953)	-14%
Office and general	27,141	30,725	(3,584)	-12%
TOTAL	$ 124,081	$ 143,618	$ (19,537)	-14%

Net income (loss) from operations before other comprehensive income and income taxes for the three months ended June 30, 2018 was ($47,925) versus (2017 – ($113,487)). Other than matters discussed immediately above, the pre-tax loss in the quarter ended June 30, 2018, versus 2017 was directly attributable to the Company having realized accounting and income tax gains on the disposition of PLC shares in the prior year's comparative period (2018 – no dispositions) and an immaterial change in the market value of the remaining PLC shares held by the Company during the period April 1 and June 30, 2018 (as opposed to that of the corresponding period) off-set by a gain on the Company's long term investment of $40,000.

Current income tax expense for the quarter ended June 30, 2018 was $10,000 (June 30, 2017 - $48,000). Deferred income tax expense (recovery) was $Nil (June 30, 2017 – ($13,000)). An analysis of the Company's income taxes to statutory rates as to its current and deferred income tax expenses is presented in Note 12 to the interim consolidated financial statements for the three- and six-month periods ended June 30, 2018. The changes in tax expense between the comparative periods is due primarily to the matters affecting the Company's disposition of PLC shares and the volatility of those shares, as discussed immediately above, and the anticipated application of certain income non-capital losses of prior years.

Net and comprehensive income (loss) after tax income tax expenses was ($25,344) for the Company's fiscal quarter ended June 30, 2018 (2017 - $46,788 – net income).

Consolidated Balance Sheet: Liquidity, Assets, Liableness and Capital Resources

Current assets decreased by $154,538 from December 31, 2017 to June 30, 2018. The net decrease was due principally to the following: The carrying value of the Company's investment in the PLC shares decreased by $287,616 which resulted from the sale of 15,000 of those shares during the Company's first fiscal quarter of 2018 partially offset by an increase in the fair value of the remaining PLC shares during the period Janaury 1 to June 30, 2018. In addition, cash and cash equivalents increased by $141,671 as outlined in the comparative statements of cash flows for the six-month periods then ended.

Current liabilities increased by $129,228 from December 31, 2017 to June 30, 2018 due principally to income taxes payable, that had been classified as long-term liabilities as at June 30, 2017, becoming current liabilities as at June 30, 2018, under Canadian income tax legislation.

The Company's net working capital decreased from $7,428,288 at December 31, 2017, to $7,144,522 at June 30, 2018, a decrease of $283,766 as a result of the factors discussed above. Retained earnings increased $127,352 from December 31, 2017 to June 30, 2018.

Management Contract

The Company has a contract ("the Agreement") with Scotchbrook Holdings Inc. for consulting services related to development, and other company real estate matters. During the six months ended June 30, 2018, the Company paid $154,150 (2017 -$154,150) to Scotchbrook Holdings Inc. under the Agreement. Scotchbrook Holdings Inc. is a company controlled by a director and an officer of the Company. Under the terms of the Agreement, the Company had previously announced that the Agreement would terminate at the end of the Company's 2018 fiscal year (i.e. within a "three-year notice period").

Disclosure Controls and Procedures

Pursuant to Multi-Lateral Instrument 52-109, which requires certification of disclosure in an issuer's annual and interim filings, the President and the Vice President and Treasurer have evaluated the effectiveness of the Company's internal disclosure controls and procedures for the Company's three-month period ended June 30, 2018, and have concluded that the Company's disclosure controls and procedures are designed effectively to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed and reported within the time specified in those rules.

In addition, the President and the Vice-President and Treasurer have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting in accordance with IFRS. The internal controls are not expected to prevent and detect all misstatements due to error or fraud. There have been no changes in the Company's internal controls over financial reporting that have materially affected or are reasonably likely to affect the Company's internal controls over financial reporting for the three- and six-month periods ended June 30, 2018, and for the year ended December 31, 2017.

IFRS Issued Standards

The International Accounting Standards Board ("IASB") issued the following standards, amendments and interpretations as at the date that the Board of Directors approved this Management's Discussion and Analysis, which the Company has adopted.

- IFRS 9, Financial Instruments, Classification and Measurement ("IFRS 9") comprises requirements for financial assets and liabilities. IFRS 9 is part of the IASB wider project to replace IAS 39 Financial Instruments – Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. IFRS is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. Adoption of this standard by the Company on January 1, 2017 has not had a material effect.

- IFRS 15, Revenue from Contracts with Customers - IFRS 15 replaces IAS 11, *Construction Contracts*, and IAS 18, *Revenue*, as well as various interpretations regarding revenue. This standard introduces a single model for recognizing revenue that applies to all contracts with customers, except for contracts that are within the scope of standards on leases, insurance and financial instruments. This standard also requires enhanced disclosures. Adoption of IFRS 15 is mandatory and will be effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. Adoption of this standard by the Company on January 1, 2017 has not had a material effect.

- IFRS 16, Leases – Effective for annual periods beginning on or after January 1, 2019. The most significant change introduced by IFRS 16 is a single lessee accounting model, bringing leases on-balance sheet for lessees. The Company is currently assessing the impact of adopting this standard on the Company's condensed interim consolidated financial statements and related note disclosures, although management of the Company does not expect adoption to have a material effect.

- IAS 7, Statement of Cash Flows – Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. The amendments to IAS 7 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Adoption of this standard by the Company on January 1, 2017 has not had a material effect.

- IAS 12, Income Taxes - Effective for annual periods beginning on or after January 1, 2017 with earlier application permitted. IAS 12 has been revised to incorporate amendments issues by IASB in January 2016. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. Adoption of this standard by the Company on January 1, 2017 has not had a material effect.

Business Environment and Outlook

On January 6, 2016 the Company completed the following transaction with Mattamy Development Corporation ("Mattamy"). The parties entered into an agreement (the "Agreement") for the development of Company's property ("the Land") located at 57 Linelle Street, Toronto. Mattamy acquired an 80% interest in the Land for $8.2 million, 40% of which, under the agreement, was paid to the Company in cash during the first two quarters of 2016. Of the outstanding balance of the selling price, $4,920,000, the Company received a vendor take back mortgage the proceeds of which are payable in cash to the Company within three years of closing.

Interest is payable on the mortgage to the Company at 4.8% per annum, with no interest payable until July 2017. Interest of $58,231 in respect of the Mortgage was received in cash during the Company's fiscal quarter ended June 30, 2018 ($117,756 – six months ended June 30, 2018, received in cash). (Interest of $118,403 in respect of the Mortgage was received in cash during the Company's fiscal year ended December 31, 2017.)

The Company has retained a 20% interest in the land and has entered into a co-ownership agreement with Mattamy. The co-owners agreement contemplates the development of the land for low rise residential development. Under this agreement, Mattamy will be responsible for managing the approval process, site servicing and sale and construction of the units. The Company and Mattamy will divide profits from the development with 20% going to the Company and 80% to Mattamy. Park Lawn Company Limited estimates that it could receive total income of $8.7 million to over $11 million from the project

With the January 6, 2016, assumption by Mattamy Development Corporation of responsibility for the management and completion of the approval process with the City of Toronto for the town house project at 57 Linelle Street, Toronto, management believes that the Company is no longer subject to material risk associated with this particular residential real estate development in Toronto. In the future, the Company may enter into additional real estate development and again become subject to those risks.

As at the date that the Board of Directors approved this Management's Discussion and Analysis, management intends to invest the majority of its excess cash and cash equivalents in short-term investments and will invest a portion of excess cash in longer term investments that are within the Company's financial instrument risk-acceptance criteria. (See Note 4 to the consolidated unaudited interim financial statements for the three- and six-months period ended June 30, 2018 and 2017.)

Subsequent Events

Normal Course Issuer Bid

During the month of July 2018, the Company purchased a total of 4,100 of its outstanding shares at a price of $8.85 per share. All repurchased shares have been cancelled.

Maritime Cold Storage Ltd.

On July 18, 2018, the Company announced that it had completed a transaction to invest $750,000 in Maritime Cold Storage Ltd. ("Maritime"), a private company. The Company will hold preferred shares and 10% of the common shares of Maritime. Maritime owns a 55,000 square foot cold storage facility that can accommodate 2.2 million cubic feet of perishable goods. The facility is based in Moncton, New Brunswick, and is located to serve New Brunswick, Nova Scotia and P.E.I. The facility serves a range of seafood companies and producers of fresh produce.

Risks and Uncertainties

As of January 6, 2016, Mattamy Development Corporation has assumed responsibility for the management and completion of the approval process with regard to the Land with the City of Toronto.

The Company does not consider there to be a significant credit risk for its investments based on investment grade ratings and performance criteria used in selecting these investments and monitoring of the price of shares of Park Lawn Corporation to the date that the Board of Directors approved the accompanying financial statements and none of the counterparties to these instruments have been in default of their obligations.

Reference should also be made to Note 4 to the Company's consolidated unaudited interim financial statements for the three-month period ended June 30, 2018.

Shares Outstanding

The authorized and issued capital stock of the Company comprises an unlimited number of common shares. 1,080,697 common shares are issued and outstanding as at June 30, 2018.

Additional Information

Additional information relating to Park Lawn Company Limited is filed at SEDAR at www.sedar.com and at CNSX at www.thecse.com or can be obtained by contacting Investor Relations, Park Lawn Company Limited, 21 St. Clair Ave East, Suite 1001, Toronto, ON, M4T 1L9.