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

Year Ended June 30, 2018

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The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Choom Holding Inc. *(formerly Standard Graphite Corporation)* (the "Company") as at as at June 30, 2018 and for the comparative year ended June 30, 2017. This MD&A should be read in conjunction with the consolidated financial statements for years ended June 30, 2018 and 2017 and related notes available under our Company profile on SEDAR.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The effective date of this MD&A is October 29, 2018.

Throughout the report we refer to Choom Holdings Inc. as the "Company", "we", "us", "our" or "its". All these terms are used in respect of Choom Holdings Inc. Additional information on the Company can be found on SEDAR at www.sedar.com and the Company's website www.choom.ca

Cautionary Statement on Forward-Looking Information

This report contains certain statements, which may constitute "forward-looking information" within the meaning of Canadian securities law requirements ("**forward-looking statements**"). These forward-looking statements are made as of the date of this MD&A and Choom Holdings Inc. (the "**Company**") does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides 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 forward-looking statements. Certain forward-looking statements in this MD&A include, but are not limited to the following

- the Company's strategies and objectives, both generally and in respect of its existing business and planned business operations;
- Medi-Can's ACMPR application to become a licensed producer;
- IGC's ACMPR application to become a licensed producer;
- completion of the acquisition of Flower Power and Highway 10;
- the Company's retail dispensary strategy;
- conditions in the financial markets generally, and with respect to the prospects for Canadian cannabis companies specifically;
- the expected demand for the Company's services and products;
- the Company's future cash requirements; and
- the timing, pricing, completion, regulatory approval of proposed financings.

The above and other aspects of the Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Such factors include but are not limited to the Company's ability to become a Licensed Producer, the Company's ability to obtain the necessary financing and the general impact of financial market conditions, the demand for the Company's products, the success of the Company's current and future development efforts, changes in prices of required commodities, competition, government regulations and other risks as set out under "Risk Factors" discussed in the section "Risk Factors" as well as those detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements as well as those discussed under the heading ***"Risk Factors"*** in the Company's 2018 AIF, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. .

Overall Performance and Results of Operations

Choom Holdings Inc. (the "**Company**") was incorporated in the province of British Columbia on September 18, 2006 under the *Business Corporations Act*. On January 27, 2012, the Company received shareholder approval to change the Company's name to Standard Graphite Corporation. Effective February 3, 2012, the Company commenced trading on the TSX Venture Exchange (the "**Exchange**") under the symbol "SGH" as a Tier 2 issuer.

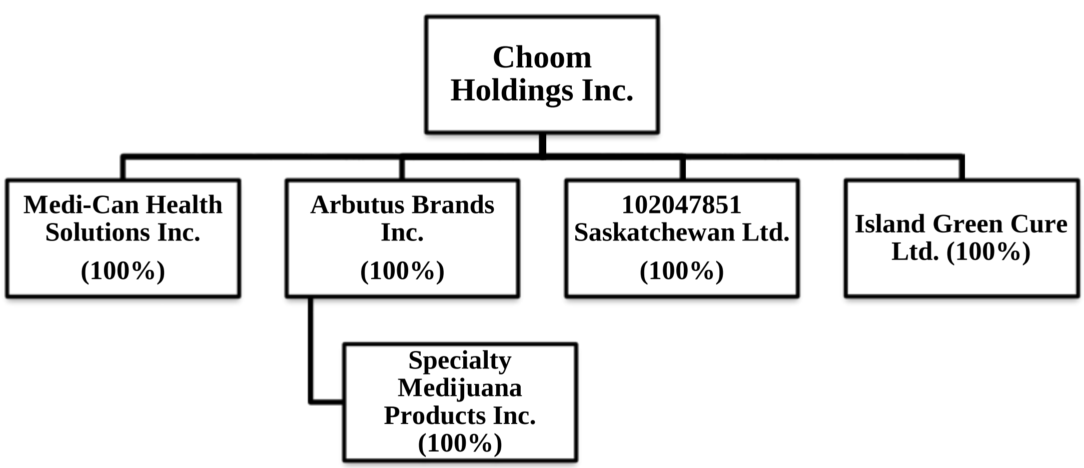
On October 18, 2017 the Company received shareholder approval to complete the acquisition of Medi-Can Health Solutions Ltd, and a name change. On November 17, 2017 the Company changed its name to Choom Holdings Inc. and completed a change of business to the business of cultivating and selling cannabis for medical purposes and related products under the ACMPR. Additionally, on November 22, 2017 the Company's shares were delisted from the Exchange and approved for listing on the Canadian Securities Exchange ("**CSE**") and commenced trading thereafter under the symbol "**CHOO**".

On December 29, 2017 the Company obtained final approval for trading on the OTCQB operated by the OTC Markets Group Inc. and commenced trading under the ticker symbol "**CHOOF**".

Choom Holdings Inc.'s corporate office and principal place of business is located at 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2.

Intercorporate Relationships

As at the date of this report Choom has four wholly-owned subsidiaries: Medi-Can Health Solutions Ltd. ("Medi-Can"), Arbutus Brands Inc ("Arbutus") and 102047851 Saskatchewan Ltd. ("SK Ltd.") and Island Green Cure Ltd. ("IGC"). Choom's intercorporate relationships with Medi-Can, Arbutus and SK Ltd. and IGC are as follows:



Highlights during year ended June 30, 2018 and as at the date of the report herein include:

Medi-Can Health Solutions Ltd.

On August 30, 2017, the Company by way of a share purchase agreement, further amended on October 17, 2017 (collectively the "**Share Purchase Agreement**") between the Company, Medi-Can Health Solutions Ltd. ("**Medi-Can**") and Medi-Can shareholders (collectively, the "**Medi-Can Shareholders**") acquired all of the issued and outstanding common shares of Medi-Can (the "**Medi-Can Acquisition**").

Medi-Can is a proposed licensed producer ("**Licensed Produce**r") under the *Access to Cannabis for Medical Purposes Regulations* (Canada) ("**ACMPR**"). Medi-can's application is currently in the detailed review stage of the licensing process.

Choom, through its subsidiary Medi-Can is in the process of completing a cannabis facility on its leasehold property located near Vernon, B.C. (the "**Facility**"). The Facility is built with steel and concrete, comprised of two floors, totalling just under 13,500 square feet. Approximately 1,500 square feet represents office space, with the remaining space used for production, cultivation and packaging. The main floor consists of office space, eight rooms designed for both vegetative growth, flowering and cuts, and a seedling room. The second floor is home to more office space, a pre-veg room, and a drying room. Upon completion of the Facility, Choom will also have four more grow rooms and a quality assurance and packaging area located on the second floor. Additions will be made to security once the Facility is completed, including a security screening room and perimeter fencing around the Facility.

For additional information on Medi-Can's developments see further discussion in the Company's 2018 AIF under the heading *"Business Development*" filed on SEDAR

Medi-Can Acquisition Details

Pursuant to the Share Purchase Agreement on November 16, 2017 the Company acquired all of the issued and outstanding common shares of Medi-Can in consideration for:

(a) an aggregate of 12,500,000 Choom common shares (the "**Consideration Shares**") (issued) to be held in escrow of which 10% (1,250,000) were released on October 18, 2017 with the remaining balance of 11,250,000 to be released over the subsequent 36 months;

(b) a $2,500,000 convertible note (the "**Acquisition Note**"), which at the election of the Company, can be either:

  (i) redeemed by way of cash payment to the Medi-Can Shareholders on the date that is the fifth trading day after the public dissemination of a news release announcing the receipt by Medi-Can of a Cultivation/Production License under the ACMPR (the "**Trigger Date**"), or
  (ii) converted by issuance to the Medi-Can Shareholders of $2,500,000 in Common Shares valued using the 20 day volume-weighted average trading price determined on the Trigger Date; and

(c) agreement to re-pay $300,000 of the shareholder loans (re-paid).

The Acquisition did not meet the definition of a business combination and has been accounted for as an asset acquisition.

The Consideration Shares issued have a fair value of $0.17 per common share of Choom, totaling $2,125,000. The transaction costs have been included in the Acquisition costs which include advisory, legal, accounting and filing fees.

As part of the share-purchase agreement to acquire Medi-Can, the Company entered into the Acquisition Note with the Medi-can Shareholders for an aggregate amount of $2,500,000 (the "**Principle Balance**"). The Acquisition Note is unsecured and non-interest bearing. Related party amounts include $375,000 from John Doo Jin Oh, a director of the Company. The payment of the Principle Balance is contingent on the receipt by Medi-Can of a Cultivation/Production License under the ACMPR. As at June 30, 2018, the probability of the receipt of the cultivation/production license cannot be reasonably estimated, and as such, has not been included as consideration in the purchase of Medi-Can.

Fair Value of 12,500,000 common shares issued	$	2,125,000
Transaction costs		612,636
Total Purchase Price	$	2,737,636
Cash	$	20
Taxes recoverable and other receivables		4,067
Property, plant and equipment		187,314
License		2,849,835
Trade payables		(3,600)
Shareholders loans		(300,000)
Net assets acquired	$	2,737,636

During the year ended June 30, 2018, the Company repaid $50,000 of the outstanding shareholders loan acquired in Medi-Can. The remaining $250,000 was settled with the disposition of assets with a net book value of $161,727 resulting in a gain on debt settlement of $88,273 being recorded in the statements of loss and comprehensive loss.

Island Green Cure Ltd.

Choom entered into a letter of intent with Island Green Cure Ltd. ("IGC") on January 11, 2018 (the "**IGC LOI**") and subsequently, a share purchase agreement dated April 17, 2018 (the "**IGC SPA**") to acquire all of the issued and outstanding shares in the capital of IGC in consideration for Common Shares (the "**IGC Acquisition**"), including:

(a) at closing, an aggregate total of 8,000,000 Choom common shares to be issued to the shareholders of IGC (the "IGC Consideration Shares"); and

(b) after the receipt by IGC of a production license, an aggregate of $2,000,000 in Choom common shares, where the number of Choom common shares to be issued will be determined by dividing $2,000,000 by the 10-day volume-weighted average trading price of the shares on the tenth trading day after the public dissemination of a news release announcing IGC's receipt of a license under the ACMPR (the "IGC Share Commitment").

On May 2, 2018 the Company closed the acquisition of IGC and accordingly issued IGC Consideration Shares to the shareholders of IGC and issued a further 500,000 Choom common shares in finders' fees to a related party to a consultant of the Company. Additionally, included in the IGC Consideration Shares issued to IGC shareholders, were 536,000 Choom commons shares to a related party of a consultant of the Company (the "IGC Finder Shares"). The total issuance of the aggregate 1,036,000 IGC Consideration Shares and the IGC Finder Shares to the related party of the consultant constituted a related party transaction within the meaning of Multilateral Instrument 61-101 ("MI 61-101"); however, the issuances were exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the Choom common shares did not exceed 25% of the Company's market capitalization.

IGC's assets include its application to become a Licensed Producer and all property, assets, contracts, plans and intellectual property used or intended to be used by IGC in connection with its proposed business as a Licensed Producer.

On May 2, 2018 the IGC Acquisition closed and IGC became a wholly-owned subsidiary of Choom.

The IGC Acquisition did not meet the definition of a business combination and has been accounted for as an asset acquisition.

The fair value of the IGC Consideration Shares and Finder Shares have been estimated based on an estimated value of approximately $0.89 per common share of Choom. The transaction costs have been included in the Acquisition costs which include advisory, legal, accounting and filing fees. The IGC Share Commitments are contingent on the grant of a production license to IGC. The probability of the grant of a production license cannot be reasonably estimated as at June 30, 2018, and therefore, has not been included in the purchase price. The purchase price equation is as follows:

Fair Value of 8,000,000 Choom common shares issued	$7,120,000
Transaction costs	484,732
Total Purchase Price	$7,604,732
License	7,621,382
Trade payables	(16,650)
Net assets acquired	$7,604,732

Arbutus Brands

Arbutus Brands Inc. ("Arbutus") was incorporated on March 13, 2018 under the BCBCA and is a wholly-owned subsidiary of Choom. Arbutus' registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, B.C., V6E 4N7.

International Tungsten Inc. ("ITI")

On March 16, 2018, and subsequently amended and restated June 13, 2018, the Company entered into an amalgamation agreement between the Company, Arbutus and ITI (collectively the "Amalgamation Agreement"). On June 15, 2018, pursuant to the Amalgamation Agreement, the Company acquired all the issued and outstanding common shares of ITI and ITI amalgamated with Arbutus (the "ITI Transaction"), for the following consideration:

(a) each ITI Shareholder received 0.99784 of a Choom share in exchange for each one common share of ITI issued and outstanding resulting in 52,031,110 Choom common shares being issued to ITI Shareholders;

(b) 1,000,000 ITI stock options to acquire ITI Shares (the "ITI Options") to be issued by ITI to a third party (the "ITI Option Holder") concurrently with the closing of the SMP Acquisition (as described hereinbelow) were cancelled and the ITI Option Holder were granted 1,000,000 options to purchase Choom Shares, with an effective exercise price of $0.35 per share and a five-year term;

(c) in connection with the closing of the ITI Transaction, Choom paid a finder's fees of 4,000,000 Common Shares to third parties; and.

(d) the original ITI special warrants were cancelled and the key shareholders of SMP holding the ITI special warrants received a pro-rata based percentage holdings of ITI common shares were issued an aggregate 39,968,890 Choom common share commitments (the "Choom Share Commitments"). The issuance of Choom common shares pursuant to the Choom Share Commitments are subject to the following conditions:

   (i) if a cultivation license is granted on or before June 15, 2019 each Choom Share Commitment will entitle the holder to exchange each Choom Share Commitment on a one to one basis for each Choom common share;
   (ii) if a cultivation license is granted after June 19, 2018 and Choom has not exercised its right to assign SMP's application each Choom Share Commitment will entitle the holder to receive 0.75 of a Choom common share.

As the issuance of Choom's common shares pursuant to the Choom Share Commitments is contingent on the grant of a cultivation license, the probability of the grant of a cultivation license cannot be reasonably estimated as at June 30, 2018, and therefore, has not been included in the purchase price.

Any Choom shares issued pursuant to the Choom Share Commitments will be subject to certain conditions and escrow requirements ranging from 6.25% - 25% on the date of grant of a license and thereafter released 18.75% to 33.33% every 6 months thereafter.

The transaction costs have been included in the ITI Acquisition costs which include legal, share-based payment expenses and finder's fee costs. The 1,000,000 ITI Options replaced for Choom options have a fair value of $1,310,513. The fair value of the stock options was determined using the Black-Scholes option pricing model with the following assumptions: Risk free interest rate of 1.93%, volatility of 148.74%, expected life of 5 years, expected dividend yield of 0.00% and estimate forfeitures of nil.

During the year ended June 30, 2018, the Company repaid $11,000 of the shareholder loans. The outstanding balance at June 30, 2018 is $253,501.

Fair value of 52,031,110 common shares issued	$71,282,621
Fair value of 1,000,000 ITI Options issued	1,310,513
Advance to ITI	131,053
Transaction costs	5,657,606
Total Purchase Price	$78,381,793
Cash	$ 2,226
Taxes recoverable and other receivables	6,801
Prepaids	2,238
Property, plant and equipment	163,326
License	78,541,183
Trade payables	(69,480)
Shareholders loans	(264,501)
Net assets acquired	$78,381,793

Specialty Medijuana Products

On March 9, 2018, prior to the Amalgamation Agreement, ITI entered into a share exchange agreement with SMP and SMP shareholders (collectively, the "SMP Shareholders") subsequently amended and restated on June 13, 2018 (collectively (the "SMP Agreement"). Pursuant to the SMP Agreement, ITI acquired all of the issued and outstanding common shares of SMP in consideration for 38,313,985 common shares of ITI (the "SMP Acquisition"). Following the completion of the SMP Acquisition:

(a) ITI became the "Resulting Issuer";

(b) SMP became a wholly-owned subsidiary of ITI and the business of the combined entity after giving effect to the SMP Acquisition, included the business of SMP;

(c) The original shareholders of ITI held an aggregate of 13,829,915 shares of the Resulting Issuer ("Resulting Issuer Common Shares"), representing approximately 27% of the then issued and outstanding Resulting Issuer Common Shares;

(d) SMP Shareholders held an aggregate of 38,313,985 Resulting Issuer Common Shares, representing approximately 73% of the then issued and outstanding Resulting Issuer Common Shares.

As such SMP is the continuing entity for accounting purposes. The SMP Acquisition does not meet the definition of a business combination under IFRS 3 Business Combinations, accordingly SMP accounted for the SMP Acquisition in accordance with IFRS 2 Share-based Payment.

The purchase price was determined based on the share price of ITI on June 15, 2018.

SMP which is based in Sooke, BC is an applicant under the ACMPR that has submitted its Affirmation of Readiness evidence package to Health Canada and expects to receive a cultivation license from Health Canada.

On October 17, 2018 the SMP received its cultivation license from Health Canada.

102047851 Saskatchewan Ltd.

SK Ltd. was incorporated on April 6, 2018 under the Business Corporations Act (Saskatchewan) and is a wholly-owned subsidiary of Choom. SK Ltd.'s registered and records office is located at 1400 – 2500 Victoria Ave., Regina, Saskatchewan S4P 3X2.

Choom, through SK Ltd., as of April 17, 2018 had applied to the Saskatchewan Liquor and Gaming Authority for cannabis retail permits in 32 zones across the Province of Saskatchewan through a Request for Proposal process and via lottery however Choom did not succeed in the lottery.

Retail Locations

Choom currently has secured the rights of up to 52 retail opportunities across western Canada which include 29 leases in highly strategic and secure locations in Alberta with 28 applications submitted, in combination with 17 retail opportunities in B.C., and 6 retail opportunities in Saskatchewan. Choom also has received Development Permits in 11 municipalities and is in the process of its retail store buildouts.

Additionally, on September 18, 2018, Choom announced that it has applied for a master retail license ("**Retail License**") in Manitoba's Request for Proposal ("**RFP**") to sell recreational cannabis coming October 17, 2018. The Retail License would give Choom the capability to operate retail cannabis stores within the province, as well as, an e-commerce platform. Choom intends to submit applications for retail licenses in other jurisdictions over the coming months.

The RFP process is highly competitive and if the Company is successful in obtaining the Retail License it will give Choom the ability to sell directly to consumers- either in store or online.

Flower Power

Choom entered into a letter of intent dated March 5, 2018 the ("Flower Power LOI") with Flower Power Cannabis Pharms Inc. ("Flower Power") and its wholly-owned subsidiary Highway 10 Cannabis Pharms Inc. ("Highway 10") to acquire all the issued and outstanding shares in the capital of Flower Power. The letter of intent was not pursued. As at June 30, 2018, costs incurred in connection with applications for retail license was $166,500 (2017 - $Nil) and is recorded in the consolidated statements of loss and comprehensive loss.

Saskatchewan Other

In addition, Choom has made several applications with the Saskatchewan Liquor and Gaming Authority ("SLGA") for cannabis retail permits in 32 Zones across the province. The SLGA has made 51 cannabis retail permits available in 32 zones through a Request for Proposal process and is expected to award the permits via lottery. The Company paid $168,800 for these applications, of which $136,800 (2017 - $nil) is included in accounts receivable (note 6) for applications rejected, and the remaining $32,000 of application expense (2017 - $nil) was included in the consolidated statements of loss and comprehensive loss. Subsequent to year-end, the Company received a refund of $136,800 on application costs.

Other Intangible Assets

On June 5, 2018, Choom entered into an asset purchase agreement with a third party to acquire certain customer lists, customer data and intellectual property rights including websites (the "Purchased Assets"). Consideration for the Purchased assets included:

(a) 575,000 common shares issued on June 5, 2018 with a fair value of $713,000; and

(b) a retention bonus ("Retention Bonus") that is earned during the 24-month period (the **"**Bonus Period**")** following the date upon which Choom or one of its affiliates is licensed to sell a cannabis product permitted to be sold in Canada either pursuant to the Cannabis Act or the ACMPR to the public for non-medical purposes in the Province of Saskatchewan.

The Retention Bonus includes:

(i) $100 for each customer on the customer list who during the Bonus Period makes a purchase from Choom or its affiliates; and
(iii) $150 for each customer on the customer list who during the Bonus Period makes a second purchase from Choom or its affiliates.

As these intangible assets are not yet in use, no amortization has been taken during the year ended June 30, 2018.

Other Developments

ParcelPal Technology Inc.

On September 27, 2018 the Company executed an agreement for cannabis distribution with ParcelPal Technology Inc. ("**ParcelPal**").

ParcelPal is a technology driven logistics company that connects consumers with local retailers to get their products delivered quickly and affordably. ParcelPal offers on-demand delivery of merchandise from leading retailers, restaurants, liquor stores and soon medical and recreational marijuana in major cities Canada-wide. Their technology handles the complete requirements of hyperlocal logistics by bringing the merchants and customers onto a single platform.

The initiative will consist of:

1. Distribution: ParcelPal and Choom will jointly develop the optimal roadmap for distribution of both mail order and same day delivery within various provinces for adult use cannabis.
2. Accessibility: Using Choom's and ParcelPal's platform to enhance user experience and accessibility to products offered.
3. Compliance: ParcelPal and Choom will ensure that all products will be delivered within the parameters established by all regulating bodies in Canada

CSE 25 Index

Choom was added to the CSE's 25 Index ("the Index"), which became effective at the market close on Friday, September 21, 2018.

The Index includes the top twenty-five securities by market capitalization contained in the CSE's composite index. These companies account for over 50% of the weighting in the larger index and are typically stocks that attract considerable trading volume.

On September 25, 2018 Choom was added to the Horizons Marijuana Life Sciences Exchange Traded Fund ("**ETF**"). HMMJ is the world's first and largest EFT offering direct exposure to North American publicly listed life sciences companies with significant business activities in the marijuana industry.

Thompson Okanagan Choom Group

Choom entered into a franchise expression of interest (the "**Expression of Interest**") with a group of investors referred to as the Thompson Okanagan Choom Group ("**TOCG**") on or around February 28, 2018, as part of its retail investor program to develop a chain of branded retail cannabis dispensaries across Canada (the "**Retail Initiative**"). According to the terms of the Expression of Interest, TOCG had proposes to secure exclusive territory rights from Choom to open multiple Choom-branded retail dispensaries in the Thompson-Okanagan region. The Expression of Interest agreement was subsequently terminated as it no longer fit into the Company's business strategy.

Dispositions

All exploration and evaluation assets were written off in the prior year ended June 30, 2017. During the year ended June 30, 2018, pursuant to the change of business as described in Note 1, the Company has changed its business to that of the cannabis industry.

See further discussions on Choom's developments under the heading "Business Development" in the Company's 2018 AIF as filed on SEDAR.

Corporate

Pursuant to the closing of the SMP and completion of the Amalgamation the Company further enhanced its management with the addition of the Arbutus team which has the experience to ensure that they successfully navigate the ACMPR licensing process and deliver on their vision. The team includes from SMP:

***Michael Forbes* -** Named one of 2017's Top Entrepreneurs by Quantum Shift, Michael has a long history of creating and operating successful companies in the pharmaceutical and health care industries. Over the course of 14 years in business, he has created and operated a chain of nine pharmacies and eight medical clinics, including three methadone clinics, employing over 160 people.

This expertise led to him being nominated to help create the procedures for the College of Pharmacists of British Columbia in 2010. His expertise in creating standard operating procedures in the pharmaceutical space is vital in ensuring proper drug dispensing to the public. This experience is crucial in creating trust with the consumer and the industry at large. He holds an Honorary Degree in Business from the Ivey School of Business and a Bachelor of Science, Pharmacy. Mr. Forbes was also appointed to the Company's board of directors on June 15, 2018.

***Ian Laing* -** Ian has over 20 years of experience in real estate, development and construction in a range of areas, including apartment buildings, custom home construction, land development, rezoning, condominiums, commercial and industrial buildings.

Since 1998, Ian has consistently proven his ability to build and grow multimillion-dollar projects from the ground up. He has a background in Urban Land Economics from the University of British Columbia and a commitment to building with integrity. Ian is currently running four companies and has experience in the recreational space with Salt Spring Island Brewery. This experience is expected to benefit the development of SMP's business practices and the anticipated build out and scaling of facilities. SMP will rely on this expertise as it grows its facilities and expands operations.

***Neil Michael MacLean* -** Neil MacLean has over 20 years of experience with the Department of National Defence ("DND"), primarily dealing with electronics, and previously was an environmental officer for HMCS Huron. His safety and WHMIS training, combined with his understanding of security procedures, are expected to assist SMP with compliance with the highest level of government regulations. He has effectively managed the integration of new equipment and systems, and has extensive personnel training experience, which, together with his training in environmental issues, electronics and operations of complex systems, will support the operational side of SMP.

On May 17, 2018 the Company announced the appointment of several key executives to its Board of Advisors to help steer the Company's brand into Canada's emerging rec-use marijuana market which included:

Derek Chan Derek joins Choom™ after his previous role as CFO for Vega, North America's leading all-natural health and performance nutrition brand. During his 9 years at Vega, his financial oversight helped the company grow 15x in sales. Derek managed the Company's private equity financing and participated in the M&A process, culminating in the successful sale of Vega to White Wave Foods for US$550 million. Mr. Chan brings over 20 years' experience in senior finance roles across various industries spanning consumer packaged goods, hospitality, and technology.
Derek holds a Chartered Professional Accountant designation and a Bachelor of Science from Simon Fraser University. Prior to leaving public practice, Derek was at KPMG LLP where he worked with a portfolio of private and public companies in audit and tax advisory services.

John Heaney John brings over 20 years of combined experience in private legal practice and government counsel. Most recently, John was the Chief of Staff for the Government of Alberta, where his role was paramount to ensuring the government was in touch with the needs and wants of Albertans. John has been a key official in developing the Alberta government's energy royalty review and climate-change legislation.
John also worked at several law firms in British Columbia, most notably as a lawyer at Heenan Blaikie LLP. His expertise in legal counsel, strategic planning, and government relations is critical to Choom™ as it approaches the legalization of recreational cannabis in Canada. Mr. Heaney holds a Bachelors of Law (LLB) from the University of Victoria.

Bobby Black Bobby Black is an icon of marijuana media and is best known for his 21-year tenure as senior editor, columnist and primary brand ambassador for High Times Magazine. During his tenure at High Times, Bobby produced and hosted numerous events, including the Cannabis Cup, the Stony Awards and Doobie Awards shows, Ganja Goddess parties, and the Miss High Times Contest/Pageant. Bobby has also served as editor for both Sensi and Greenleaf magazines, as well as contributing to several other cannabis publications. He is the host of *Blazin' With*

Bobby Black on Cannabis Radio, the former host of *Contact High* on Sirius Radio, and co-founder of the 420-friendly travel agency Higher Way Travel. Most recently, he has accepted the position of Chief Operating Officer at Crockett Family Farms—one of the most respected and award-winning cannabis genetics and cultivation in North America, based in California.

As the Choom Ambassador of Good Times, Bobby brings a 'high' level of cannabis expertise to our leadership team and will be instrumental in educating our audience of cannabis users and the 'cannacurious' on the past, present, and future state of marijuana, as we navigate the new frontier of legal adult use in Canada.

On February 28, 2018 the Company appointed Chris Gagan as Senior Vice President of Marketing to lead its brand strategy and execution.

Mr. Gagan brings over 20 years of marketing expertise and lifestyle brand development, product development, and retail expertise across a variety of wholesale and retail channels, most recently with Canada's largest national retailer of sporting goods FGL Sports, where he led the design and development team for their exclusive brands division.

As part of the senior leadership team, Mr. Gagan will be responsible for the development and execution of the Choom™ brand and retail marketing strategy. Mr. Gagan will also be integral to driving product marketing and market research for Choom™ as it prepares for the upcoming legalization of cannabis for recreational use across Canada.

Use of Proceeds

On September 27, 2017, the Company completed a non-brokered private placement of 3,333,333 units of at a price of $0.15 per unit (a “Unit”) for gross proceeds of $500,000. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire an additional common share of the Company at $0.25 until March 27, 2019. The Company has paid aggregate cash finder’s fees in connection with the financing of $25,324.

On December 19, 2017 the Company completed a non-brokered private placement and issued 5,000,000 units (the “**Unit**”) at a price of $0.20 per Unit for gross proceeds of $1,000,000. Each Unit consist of one common share and one non-transferable share purchase warrant (the “**Warrant**”). Each Warrant is exercisable by the holder to acquire one additional common share at a price of $0.25 until June 18, 2019. The Company has paid aggregate cash finder’s fees in connection with the financing of $4,970.

On February 6, 2018 the Company completed a non-brokered private placement for 5,400,000 units at a price of $0.50 per unit (each a “Unit”) for gross proceeds of $2,700,000. Each Unit is comprised of one common share (a "**Common Share**") and one-half of one Common Share purchase warrant (a "**Warrant**"), with each Warrant entitling the holder thereof to acquire a Common Share at a price of $0.75 per share until August 6, 2019. The Company has paid aggregate cash finder’s fees in connection with the financing of $49,138.

Proceeds from the financings described herein are for general corporate purposes, continuing evaluation of other opportunities in the cannabis market, and for the costs incurred in connection with the Acquisition.

March 19, 2018 Choom completed a non-brokered private placement of 11,666,991 subscription receipts (each a “**Subscription Receipt**”) for gross proceeds of $7,000,000. The proceeds from the Subscription Receipts were held until completion of the ITI Amalgamation as described hereinabove. Concurrently with the closing of the ITI Amalgamation, the Company completed on June 15, 2018, a non-brokered private placement and issued 14,225,353 shares (the “**June 2018 Financing**”) at a price of $0.71 per share for gross proceeds of $10,100,001 (which included the $7,000,000 in Subscription Receipts already held). The Company has paid aggregate cash finder’s fees in connection with the financing of $252,192.

The proceeds from the collective financings are being utilized for general corporate purposes, continuing evaluation of other opportunities in the cannabis market and for the costs incurred in connection with the acquisition of Medi-Can, IGC, and ITI Amalgamation as described hereinabove.

Outlook

Choom has secured the rights to 52 retail opportunities across Western Canada and its rapidly expanding Alberta presence now stands at 29 in highly strategic and secure locations, with 14 Development permits and 11 building permits received from the various municipalities. With recently amended regulations in Ontario, Choom has deployed its real estate team throughout the province of Ontario to secure a significant cannabis retail footprint in Canada's largest adult use market.

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Choom is executing an aggressive expansion plan to create a significant retail storefront brand in the Canadian adult use market and is committed to developing and acquiring retail stores as a top priority. In all cases, the retail opportunities are subject to all necessary governmental and municipal approvals being granted. This number is expected to grow over the coming months as the Company is currently negotiating additional leases with the intention of submitting applications for retail licenses.

With legalization finally here, Choom is continuing to aggressively roll out its retail strategy. Management see's a massive opportunity in the retail market, with a goal to build Choom into an iconic Canadian retail storefront brand.

Selected Annual Information

The following table summarizes selected financial data reported by the Company for the years ended June 30, 2018, 2017 and 2016. The following annual results are compliant with IFRS:

	Year ended June 30 2018 $	**Year ended June 30 2017 $**	**Year ended June 30 2016 $**
Total Revenue	Nil	Nil	Nil
Net Loss	(6,575,456)	(686,430)	(632,555)
Comprehensive loss	(6,575,736)	(687,764)	(630,488)
Loss per share basic and diluted	(0.07)	(0.01)	(0.01)
Exploration and evaluation assets	—	—	379,375
Total assets	100,596,063	130,917	449,100
Current liabilities	1,001,209	77,761	568,011
Non-current liabilities	—	—	—
Shareholders' equity (deficiency)	99,594,854	53,156	(118,911)
Number of Common Shares	178,747,288	66,686,975	51,211,619

Results of Operations

Financial Results for the years ended June 30, 2018 and 2017

During the year ended June 30, 2018, the Company reported a net loss of $6,575,456 and loss per share of $0.07 compared to a net loss of $686,430 and loss per share of $0.01 for the comparative year ended June 30, 2017.

During the year ended June 30, 2018, the Company recorded a fair value loss (2017 – loss) on available-for-sale investment of $280 (2017 – $1,334) for a total comprehensive loss of $6,575,736 compared to $687,764 comprehensive loss for the year ended June 30, 2017.

The net loss for the year ended June 30, 2018 primarily consisted of general and administration costs of $4,230,291 (2017 - $308,830) in connection with the change of business to the cannabis industry and related transaction costs in connection with the various acquisitions as described hereinabove as well as research and development costs in connection with setting up controls and procedures and laboratory testing and the costs incurred in retail license applications. Additionally, the Company recorded stock-based payment expenses of 1,604,144 (2017 - $Nil). The Company recorded a loss on the settlement of debt (see Related Part Transactions and Medi-can Acquisition).

The summary of variances in expenditures included:

	2018	2017	Variance	
	$	$	$	%
Accounting & legal	**607,212**	50,572	556,640	1101%
Conferences	**298,070**	-	298,070	100%
Consulting	**815,925**	157,094	658,831	419%
Investor relations, website development and marketing	**1,608,067**	15,747	1,592,320	10112%
Office and administration fees	**81,463**	16,416	65,047	396%
Regulatory fees	**40,442**	13,999	26,443	189%
Rent	**500,122**	46,653	453,469	972%
Shareholder communications	**149,236**	2,815	146,421	5201%
Transfer agent fees	**22,370**	5,534	16,836	304%
Travel	**107,384**	-	107,384	100%
	4,230,291	308,830	3,921,461	1270%

Significant variances to note were:

Accounting and Legal: Increase in accounting and legal were legal fees in connection with the various transactions described herein primarily including the Medi-can Acquisition, the ICG Acquisition, the ITI Transaction, the SMP Acquisition, Flower Power Acquisition Agreement and review of various acquisition opportunities as described herein.

Conferences: The increase in costs were in relation to the change of business and management's attendance at the various cannabis conferences and seminars.

Consulting: The increase if consulting related to additional support in connection with the transactions as described herein as well as with the change of business.

Investor relations, website development and marketing: The increase was a result of the website development and design in connection with the change of business and revamp of the Company's logo and advertising materials. Additionally, the Company undertook various marketing campaigns with media services providers to create awareness for the Company in a highly competitive market.

Office and administrative: The increase in expenses was as a result of the increased activity for administrative personnel and telephone office expenses in relation to the various transactions described hereinabove.

Regulatory fees: The increase in expenses, were the result of the delisting from the TSX Venture Exchange and listing on the CSE as well the listing on the OTCQB.

Rent: The primary increase in rent related to certain termination fee of $300,000 in connection with the ICG Acquisition and its leased facility with the change of ownership and assignment of the leased premises to the previous tenant as well as a $100,000 lease fee.

Additionally, rent includes the Company's head office which was initially $4,000 per month effective July 1, 2017 to December 31, 2107 and then reduced to $2,000 per month for January 2018 to March 31, 2018. Effective May 1, 2018 Choom took over the head lease for the office space at a monthly rate of $8,644. Rent in the comparative period was billed at approximately $4,000 per month (See Related Party Transactions).

Shareholder communication: The increase in expenditures related to the increase in news release dissemination services as well as email blast dissemination and included the costs for the annual and special meeting of shareholders held on October 18, 2017. Expenditures in the prior year were minimal as a result of limited activity.

Transfer agent*:* The increase in expenditures related to the increase in share issuances from the financings as described herein as well as the exercise of options and warrants. Additionally, the costs related to the Company's annual and special meeting held on October 18, 2017. The expense in the prior year were minimal in comparison due to lesser share issuances and the Company did not hold its meeting in the prior year.

Travel: The increase in travel related to the attendance of conferences in comparison to the prior year where activity was limited.

Summary of Quarterly Results

The following table summarizes certain selected financial information reported by the Company for each of the last eight quarters reported. The following quarterly results are prepared in accordance with IFRS.

	June 30, 2018 ($)	March 31, 2018 ($)	Dec. 31, 2017 ($)	Sept.30, 2017 ($)
Operations				
Revenue	—	—	—	—
Net Loss	**(3,969,572)**	(911,017)	(1,274,047)	(158,017)
Net Loss per Share	**(0.03)**	(0.01)	(0.02)	(0.00)
	June 30, 2017 ($)	March 31, 2017 ($)	Dec. 31, 2016 ($)	Sept. 30, 2016 ($)
Operations				
Revenue	—	—	—	—
Net Loss	(518,992)	(91,092)	11,058	(87,404)
Net Loss per Share	(0.01)	0.00	0.00	(0.00)

The Company earned no revenue during the periods presented other than interest income due to the nature of the industry and its current operations.

Significant variances to note included:

During the three month period ended March 31, 2018, the Company reported a net loss of $911,017 and loss per share of $0.01. The net loss for March 31, 2018 primarily consisted of general and administration costs of $682,278 (2017 - $90,959) in connection with the change of business as described herein to the cannabis industry as well as research and development costs in connection with setting up controls and procedures and laboratory testing.

The Company reported a net loss during the quarter ended December 31, 2017 of $1,274,047 related to general and administrative costs of $298,917 for the change of business completed on October 18, 2017 as described herein. Additionally, pursuant to the settlement of debt the Company issued 3,150,000 common shares at an issue price of $0.31 per common share extinguishing an aggregate of $535,500 ($0.17 per share) in outstanding trade payables to non-related parties resulting in a loss on debt settlement of $441,000.

The Company reported a net loss during the fourth quarter June 30, 2017 of $518,992 or $0.01 loss per share, which primarily included the $424,506 for impairment of exploration and evaluation assets for the write off of all of its exploration properties as described hereinabove.

There were no significant variances for the remaining quarter's reported hereinabove to note.

Fourth Quarter

The Company reported a net loss during the fourth quarter June 30, 2018 of $3,969,572 (2017 - $518,992) or $0.03 loss per share (2017 - $0.01), primarily related to share-based payments of 855,637 and administrative and general expenses of $3,100,405 compared to the prior year 2017 which primarily included the $424,506 for impairment of exploration and evaluation assets for the write off of all of its exploration properties as a result of the change of business as described herein.

There were no significant variances for the remaining quarters reported hereinabove to note.

Financial Condition, Liquidity and Capital Resources

Results of Operations

	June 30 2018 $	June 30 2017 $
Financial position:		
Cash and cash equivalents	**9,384,390**	109,309
Working capital	**9,261,142**	51,725
Advances from shareholders	**253,501**	-
Trade payables	**747,708**	77,761
Property, plant and equipment	**225,975**	1,431
License	**89,725,400**	-
Total Assets	**100,596,063**	130,917
Shareholders' equity	**99,594,854**	53,156

Key change to the Company's financial condition is the working capital of 9,261,142 as a result of the financings described hereinabove (June 30, 2017- $51,725).

As described hereinabove the Company the proceeds from the recent financings have been allocated for general corporate purposes as well as the costs incurred in connection with the various acquisitions and costs incurred to secure the retail sites as well as to provide working capital for continuing evaluation and development of the cannabis market.

Convertible Note

On November 16, 2017 the Company entered into the Acquisition Note with the Medi-can Shareholders as described hereinabove for an aggregate amount of $2,500,000 (the "**Principle Balance**"). The Acquisition Note is unsecured and non-interest bearing. Related party amounts include:

i) $375,000 from John Doo Jin Oh a director of the Company.

The Acquisition Note is due on the date that is the fifth trading day after the public dissemination of a news release announcing the receipt by Medi-Can of a Cultivation/Production License under the ACMPR (the "**Trigger Date**")

The Principle Balance is due and payable on the Trigger Date and can be paid at the Company's sole election either:

a) by way of a cash payment; or
b) by issuance to the holder the Principle Balance in common shares in the capital of the Company valued as the 20 day volume-weighted average trading price determined on the Trigger Date.

Advances

Subsequent to June 30, 2018 The Company has made advances to related and non-related parties in the aggregate $1,675,000 in connection with securing its interests in the retail opportunities in Canada which includes related party advances of $1,250,000 pursuant to the Clarity Option and certain stand still agreements with various retail sites (See Commitments and Related Party Transactions).

In the event the Company does not acquire a retail site, the advances will convert to loans at an interest rate of 6% due and payable with in one year upon such conversion.

As the Company has not yet generated revenue it will continue to have to rely on equity and or debt financings to provide the additional working capital to continue the Company's advancement in the cannabis industry.

The Company anticipates it has the sufficient funding in place to meet its current working capital requirements and other short -term financial obligations. Additional funding will be required to meet the development of the retail sites the Company has secured the rights to in the event it exercises the options in place to acquire such retail site.

Commitments and Contractual Obligations

ABcann Medicinals Inc.

Choom entered into a binding supplier agreement with ABcann Medicinals Inc. ("**ABcann**") dated March 16, 2018, whereby ABcann, a Licensed Producer, will supply Choom with premium cannabis products subject to regulatory approval (the "**ABcann Supply Agreement**"). The term of the ABcann Supply Agreement is for three years, with automatic renewal for two additional two-year terms unless terminated by either Choom or ABcann upon providing six months written notice. The obligations of the parties under the ABcann Supply Agreement with respect to the purchase and sale of cannabis products will arise upon a mutually-agreed upon launch date that is dependent on receiving required regulatory approval.

Medican Leasehold Premises

Pursuant to the acquisition of Medican as described in Note 9, the Company assumed the lease agreement (the "Medican Lease) for the leasehold premises located in Vernon, BC dated for reference May 15, 2016 for a three year term at an annual payable lease amount of $68,700. The Medican Lease is renewable for a further three year term upon six months prior notice to the expiry of Mary 15, 2019.

Island Green Cure Leasehold Premises

Pursuant to the closing of the ICG Acquisition on May 2, 2018 as described in Note 10, the Company assumed the lease agreement (the "IGC Lease") for the leasehold premises located in Chemanius, BC (the "IGC Leasehold Premises") for a term of five years at an annual lease amount payable of $88,908. The terms of the IGC Lease require the full term lease amount of $444,540 be deposited with an escrow agent on or before June 30, 2018 (the "Rent Deposit"). The Rent Deposit shall be credited at an amount of $7,409 per month during the term of the ICG Lease. Furthermore in accordance with the terms of the IGC Lease, initial payments and termination of existing tenancy to the current tenant, include $100,000 upon execution of the IGC Lease (paid) and a further $300,000 within 90 days of the current tenant vacating the IGC Leasehold Premises (paid). As at June 30, 2018, $88,908 is classified as a current asset in prepaids and deposit and $355,632 is classified as a long-term deposit.

Specialty Medijuana Products Inc.

Pursuant to the closing of the ITI Acquisition the Company assumed under SMP four lease agreements for four leasehold premises located in Victoria, British Columbia each dated February 15, 2018 for an initial term of five years, commencing on March 1, 2018 and ending on February 28, 2023, with an option to renew at a monthly rate of $12,500 for each premise.

Office Lease

Effective May 1, 2018 the Company has assumed its current office space lease (previously held by Etoby Management Limited – see Note 16), on a month to month basis at a monthly rate of $8,644 per month.

Acquisition

The Company has advanced a $500,000 refundable deposit in connection with a non-binding agreement to acquire the rights to certain parcel of land including other buildings, facilities and assets which will be credited toward the purchase price**.** Should the transaction not proceed the $500,000 deposit will be returned. Subsequent to year-end, the $500,000 was returned to the Company.

Clarity Option Agreement

Pursuant to an option agreement dated April 16, 2018 as amended and restated on August 31, 2018 with Clarity Cannabis MD Holdings Inc., Clarity Cannabis BC Ltd. And Clarity Cannabis Saskatchewan ("**Clarity**"), Choom has the option (the "**Clarity Option**") for a period of eighteen months to acquire one or more cannabis retail locations secured by Clarity in the provinces of British Columbia, Alberta and Saskatchewan. The Clarity Option is subject to, among other things, all regulatory approvals being obtained. On exercise of the Clarity Option, Choom will, subject to adjustments in the option exercise price for certain specified factors compensate Clarity in the amount of $1,300,000 per location acquired. For the first location acquired, the exercise price is to be satisfied by the payment of $1,000,000 in cash and by the issuance of $300,000 worth of Common Shares. For subsequent acquisitions, the exercise price per location is to be satisfied by the issuance of Common Shares. The exercise price shall be reduced to $800,000 in the event any location has a population less than 10,000 individuals. Any shares issued in connection with the Clarity Option shall be escrowed and released as to 20% every six months over a 24 month period.

Related Party Transactions

a) Key Compensation

		June 30 2018		June 30 2017
Key management personnel compensation comprised:				
Consulting fees	**$**	**329,813**	$	157,094
Share-based payments		**258,064**		-
	$	**587,877**	$	157,094

i) Consulting fees of $130,000 (2017 – 70,000) were paid to 0954041 BC Ltd. (“0954041”), a company controlled by Chris Bogart, President and Chief Executive Officer.
ii) Consulting fees of $47,813 (2017 - $18,594) were paid to Minco Corporate Management Inc. (“Minco”), a company controlled by Terese Gieselman, Chief Financial Officer and Secretary.
iii) Consulting fees of $120,000 (2017 - $68,500) were paid to Etoby Management Limited (“Etoby”) and/or Craig Schneider (“Schneider”) a company controlled by Schneider, an individual with significant influence over the Company. In addition, rental fees of $32,000 (2017 - $46,653) were charged by Etoby and/or Schneider.
iv) Consulting fees of $32,000 (2017 - $nil) were incurred to Chris Gagan, the Vice President of Marketing.
v) Share-based payments are the fair value of options granted to directors and key management personnel as described in Note 14.

b) Related Party Liabilities

The following amounts owing to related parties are included in trade and other payables:

Amounts due to:	Service for:		**June 30 2018**		June 30 2017
Minco	Consulting Fees	$	**17,374**	$	2,730
Chris Gagan	Consulting Fees		**16,590**		12,717
Corex Gold Corporation	Expenses		**-**		12,717
0954041	Expenses		**-**		89
		$	**33,964**	$	15,536

As at June 30, 2018, $Nil (2017 - $12,717) was due to Corex Gold Corporation (“Corex”), which has a former common officer, Terese Gieselman of the Company, for expenses incurred by Corex on behalf of the Company for shared office space and administrative personnel expenses. These advances are non-interest-bearing and due on demand.

c) Related Party Receivables

As at June 30, 2018, $Nil (2017 - $276) was due from InMed Pharmaceuticals Inc. (“InMed”), which has common officer Chris Bogart of the Company for expenses incurred on behalf of InMed for shared office space and general expenses. These advances are non-interest-bearing and due on demand.

d) Shares for Debt

On August 30, 2016, included in the shares for debt settlement as describe in Note 14, was the settlement of an aggregate $306,831 in trade payables through the issuance of an aggregate 4,383,296 common shares at an issue price of $0.07 resulting in a gain on settlement of debt of $49,754 with related parties as follows:

Debtor	Debt Amount	Share Price	No. Shares
0954041 BC Ltd.	$37,500	$0.07	535,714
Schneider	269,331	$0.07	3,847,582
Total	**$306,831**		**4,383,296**

e) Advances

In connection with the Clarity Option described herein subsequent to June 30, 2018 the Company has advanced an aggregate $1,250,000 to secure certain retail locations. These advances are considered related party advances as Mr. Forbes has a controlling interest in Clarity until such time as the Company exercises the Clarity Option. In the event the Company does not acquire a retail site included in the Clarity Option any advance in relation to that retail site will convert to loan at an interest rate of 6% due and payable with in one year upon such conversion.

Significant Accounting Judgments, Estimates and Assumptions

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

The effect of a change in an accounting estimate is recognized prospectively by including it in loss/income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Asset acquisitions

Management has had to apply judgment with respect to whether the acquisition of Medi-Can, IGC, and SMP were business combinations or asset acquisitions. The assessments required management to assess the inputs, processes and outputs of the companies acquired at the time of acquisition. Pursuant to the assessment, all three acquisitions were considered to be asset acquisitions.

Determination of purchase price allocations and contingent consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Further, estimates were made in determining the value of contingent consideration payments, including assessing the probability of the grant of the cultivation and production licenses, and when the cultivation and production licenses will be granted. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss**.**

Income Taxes

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgements of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgements prove to be inaccurate, management's continued use of the going concern assumptions be inappropriate.

Valuation of Share-based Payments
The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate.

Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Estimated Useful Lives and Depreciation/Amortization of Property and Equipment and Intangible Assets

Depreciation/amortization of property and equipment and intangible assets is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Impairment of Property and Equipment and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there is any indication that the carrying amount is not recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When an individual asset does not generate independent cash flows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Changes in Accounting Policies including Initial Adoption

Standards, Amendments and Interpretations Not Yet Effective

The standards listed below include only those which the Company reasonably expects may be applicable to the Company at a future date. The Company is currently assessing the impact of the standards on the consolidated financial statements.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*

Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- *Classification and measurement of financial liabilities:*

When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*

An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- *Hedge accounting:*

Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

- *Derecognition:*

The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

This standard is applicable to annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

This standard is applicable to annual periods beginning on or after January 1, 2018.

Applicable to annual periods beginning on or after January 1, 2017.

Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)
The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 Income Taxes)
The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 Share-based Payment)

The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 15 Revenue from Contracts with Customers

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

Revenue is recognized based on a five-step model:
1. Identify the contract with customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when (or as) the performance obligations are satisfied.

New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

Financial Instruments and Risk Management

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets out are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of interest rate, commodity price risk and foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in GICs or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Cash and GICs are subject to floating interest rates.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investment in securities. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The effect of commodity price risk to the Company's financial instruments is immaterial.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and short-term investments and related party receivable. Cash and short-term investments are maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of the related party receivable represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other payable and option payment commitments. The Company's trade and other payables are all due within 90 days after the year ended June 30, 2018

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The statements of financial position carrying amounts for cash, short-term investments, related party receivable, and trade and other payables approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash, short-term investments and available-for-sale investments are measured as Level 1 financial instruments.

Capital Management

The Company considers its cash and share capital as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company is not exposed to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended June 30, 2018.

Off balance-sheet arrangements

The Company has no off balance-sheet arrangements.

Outstanding Share Data

The Company's authorized capital is unlimited common shares without par value. As at the date of this report, 179,467,288 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise price	Expiry Date
Stock Options	2,950,000	$0.17	16-Nov-22
Stock Options	600,000	$0.75	27-Feb-23
Stock Options	500,000	$1.06	19-Mar-23
Stock Options	50,000	$0.84	11-Apr-23
Stock Options	110,000	$0.91	13-Apr-23
Stock Options	50,000	$0.88	7-May-23
Stock Options	100,000	$0.84	10-May-23
Stock Options	1,000,000	$0.35	15-Jun-23
Stock Options	700,000	$1.26	19-Jun-23
Stock Options	250,000	$1.41	20-Jun-23
Stock Options	250,000	$1.28	1-Aug-23
Stock Options	100,000	$1.07	17-Aug-23
Warrants	771,150	$0.25	27-Mar-19
Warrants	3,012,500	$0.25	18-Jun-19
Warrants	2,377,500	$0.75	06-Aug-19

As at the date of this report hereof there was 11,250,000 common shares held in escrow in connection with the Medi-can Transaction as described herein.

As at the date of this report hereof there was 5,760,000 common shares held in escrow in connection with the IGC Transaction as described herein.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.

Risks and uncertainties

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are as described under the heading "Risk Factors" in our AIF, available on the Company's SEDAR profile at www.sedar.com. In particular, there are currently significant uncertainties in capital markets impacting the availability of equity financing for the purposes of cannabis research, development and production. There are also significant uncertainties relating to the global economy, political uncertainties and the volatility in the prices of cannabis stocks which may impact our business and may impact our ability to remain a going concern.

Risks Relating to the Medical Cannabis Industry

Volatile Market Price for Common Shares

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

- actual or anticipated fluctuations in Choom'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 Choom operates;
- addition or departure of Choom's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting Choom's industry generally and its business and operations;
- announcements of developments and other material events by Choom or its competitors;
- 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;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Choom or its competitors;
- operating and share price performance of other companies that investors deem comparable to Choom or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in Choom's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected 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. Such volatility has been particularly evident with regards to the share prices of medical cannabis companies that are public issuers in Canada. Accordingly, the market price of Common Shares may decline even if Choom's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, Choom's operations could be adversely impacted and the trading price of Common Shares may be materially adversely affected.

<u>The Cannabis Industry is Subject to Competition</u>

There is potential that Choom will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than Choom.

Because of the early stage of the industry in which Choom operates, Choom expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and Choom expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products and pricing strategies. To remain competitive, Choom will require a continued high level of investment in research and development, marketing, sales and client support. Choom may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Choom.

Cannabis is Not an Approved Drug or Medicine

Cannabis is not an approved drug or medicine in Canada. The Government of Canada does not endorse the use of cannabis, but Canadian courts have required reasonable access to a legal source of cannabis when authorized by a healthcare practitioner.

Regulatory Risks

Choom operates in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. Choom's ability to grow, store and sell medical cannabis in Canada with respect to the Facility is dependent on Medi-Can obtaining the ACMPR license from Health Canada and the need to maintain such ACMPR license in good standing. Failure to: (i) comply with the requirements of the ACMPR license; and (ii) maintain this ACMPR license would have a material adverse impact on the business, financial condition and operating results of Choom.

Choom will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of Choom's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Choom's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Choom.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond Choom's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Choom's earnings and could make future capital investments or Choom's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

A more detailed description of the various risks associated with the Company can be found under the heading "Risk Factors" in the AIF. Additional information relating to Choom, including the Company's AIF, is available under the Company's SEDAR profile at www.sedar.com.