TREE OF KNOWLEDGE INTERNATIONAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2021

The following Management's Discussion and Analysis ("MD&A") comments on the consolidated financial condition and results of operations of Tree of Knowledge International Corp. and its subsidiaries (collectively, the "Company" or "TOKI") for the three months ended March 31, 2021 and 2020. All data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with the Company's consolidated financial statements for the three months ended March 31, 2021, and 2020 (the "Financial Statements"). All figures are in United States dollars unless stated otherwise.

The effective date of this MD&A is dated June 30, 2021. All amounts are presented in United States dollars, unless otherwise noted.

This discussion contains forward-looking statements that are historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

GOING CONCERN ASSUMPTION

The consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company incurred a net loss for the three months ended March 31, 2021 of $77,413 (2020 – $790,390) and cash flows from (used in) operating activities of $(89,947) (2020 – $11,688,539). In addition, as at March 31, 2021, the Company has an accumulated deficit of $46,184,095 (December 31, 2020 – $46,106,682), and a working capital deficiency of $2,524,575 (December 31, 2020 - $2,598,658). Furthermore, at that date the Company was a defendant in certain litigation with the CHU de Québec-Université Laval ("CHU") and in conjunction with that litigation the company received an interim Mareva injunction order from the Ontario Superior Court (the "Order"). The Ordre restricted the Defendants from selling, encumbering or assigning assets over and above the claim amount of $11,200,000 (the "Claim Amount"). In addition, the Order restricted the company from expending monthly business expenses of greater than $100,000 (or $25,000 on any single transaction) without the consent of CHU. These conditions indicate the existence of material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. See "*Risk Factors*".

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and to continue to obtain financing sufficient to meet current and future obligations and/or restructure the existing liabilities. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

Cautionary Note Regarding Forward Looking Statements

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. 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. Examples of such statements include, without limitation: the intention to complete the listing; the description of the Company that assumes completion of the listing of its Common Shares; the intention to grow the business and operations of the Company; anticipated timing for the ability of the Company to agree to terms of royalty agreements with Licensed Operators; expected growth in the number of users of Medical Marijuana in Canada; the risk of foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained herein are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The Financial Statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the Financial Statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate, and assets are safeguarded.

The Audit Committee has reviewed the Financial Statements with management. The Board of Directors has approved the Financial Statements on the recommendation of the Audit Committee.

OVERVIEW

About the Company

The Company operates a business in the filed of medical clinics focused on chronic pain management serving the Greater Toronto Area. The Company's shares are listed under the symbol "TOKI" on the Canadian Securities Exchange ("CSE") in Canada.

Through its Toronto Poly Clinic ("TPC") in Canada, the Company has gleaned extensive expertise from being involved in one of the largest observational clinical trials on medical cannabis and from its ongoing direct patient experience. The Company has developed and implemented MCERP (Medical Cannabis Education, Research and Best Practice Platform) and MCORP (Medical Cannabis Opioid Reduction Program) with great success. Currently, the Company has research agreements with Ryerson University for medical cannabis research and new medical grade products development. As of the date hereof the Company has several products on offer for use in connection with the treatment of a number of ailments and for general wellness purposes.

Description of Business

During the quartered ended March 31, 2021, the business of the Company was carried on in Canada through its various subsidiaries: Asterion Bio Med Inc. (Ontario) ("Asterion"), Toronto Poly Clinic Inc. (Ontario), 1680839 Ontario Ltd. (Ontario) and Tree of Knowledge Canada Inc. (Ontario). On December 31, 2020 Asterion Bio Med Inc. (Ontario) ("Asterion") was vertically amalgamated with Tree of Knowledge International Corp.

On January 1, 2020, Tree of Knowledge Inc. (Nevada) ("TOK NV") and its subsidiaries Tree of Kindness, Inc. (Nevada), and EVR Biosciences Limited (Ireland) were derecognized due to loss of control. On May 25, 2021, the Company settled a statement of claim with CHU. The result of the settlement effectively gives control of TOK NV and its subsidiaries to CHU. The events that led up to this loss of control was estimated to commence at the start of 2020.

Multidisciplinary Specialty Pain Clinics

The Company is as a healthcare provider specializing in multi-disciplinary pain management under the banners Toronto Poly Clinic, located at North York and Thornhill in Ontario, Canada. The core pillars of Toronto Poly Clinic are: a multidisciplinary pain program designed to improve physical and psychological management of pain, patient self-management tools, and medical cannabis research and product development. The Company terminated its strategic alliance agreement with Jack Nathan Medical Inc. ("JNMI Agreement") on August 17, 2020 and closed its one clinic operating under this banner in Vaughan, Ontario, Canada.

The Company has become a healthcare leader in the ethical and controlled use of medical cannabis, managing over 4,800 cannabis patients. The Company has been involved in one of the largest longitudinal IRB approved observational studies to date on medical cannabis. As a result of this experience, practitioners have learned that education and research are paramount to realizing the medical benefits of cannabis on a diverse population of patients. The Company has refined its collective knowledge and focused on the creation of the MCERP (medical Cannabis Education, Research and Best Practice Platform) and MCORP (Medical Cannabis Opioid Reduction Program).

Product Development and Research

The Company has research agreements with Ryerson University for medical cannabis research and new medical grade products development. Ryerson researchers, whom the Company is engaged in a joint R&D project to develop novel nanotechnology for delivering Cannabinoid molecules, received a Health Canada license under the Cannabis Act and Regulations to proceed with the project.

In the prior year, the Company entered into a Letter of Intent with Northern Green Canada ("**NGC**") to bring medical cannabis to the Canadian Medical Marketplace. This relationship with NGC was consummated on June 4, 2019, as the Company and NGC signed a License and Collaboration Agreement (the "**NGC Agreement**"). The NGC Agreement is for an initial term of 5 years and focuses on three strategic pillars – medical cannabis research and education, product development, and services for medical cannabis patients. The NGC Agreement created a significant collective footprint and additional growth potential for the Company and NGC in the Canadian market.

Developments during the Three Months Ended March 31, 2021

On February 19, 2021 the Company's shares were delisted from the JSE due to non-compliance.

On February 23, 2021, Mr. Michael Caridi resigned as the President and director of the Company's US subsidiary, Tree of Knowledge, Inc ("TOK US"). The board appointed the Chief Executive Officer of the Company, Mr. Faghani, as the President and director of TOK US.

On March 17, 2021, the Company reached an agreement in principle for a new flagship location for a new multi-specialty medical and mental wellness clinic, which is expected to be opened in the later part of 2021.

See also "*Subsequent Events*".

Key Financing Developments during the Three Months ended March 31, 2021

There were no key financing developments in the three months ended March 31, 2021.

See also "*Subsequent Events*".

Selected Annual Information

Summarized selected financial information with respect to the Company is as follows:

	Three Months ended March 31, 2021 ($)	Year ended December 31, 2020 ($)	Year ended December 31, 2019 ($)
Revenue	1,189,004	4,613,565	5,370,226
Cost of sales	(881,580)	(3,232,792)	(3,658,773)
Gross profit	307,424	1,380,773	1,711,453
Total expenses	(747,860)	(3,877,830)	(8,869,596)
Other items	363,023	(1,464,000)	(10,473,913)
Net loss	(77,413)	(3,961,057)	(17,632,056)
Foreign currency translation adjustment	23,913	(111,321)	713,542
Comprehensive loss	(53,500)	(4,072,378)	(16,918,514)
Loss per share	(0.0003)	(0.016)	(0.082)
Total assets	6,986,012	7,224,297	10,432,286
Total liabilities	(3,645,533)	(3,915,819)	(4,245,436)
Shareholders' Equity	3,340,479	3,308,478	6,186,850

Operating results for the three-month period ended March 31, 2021 and 2020

For the three months ended March 31, 2021, revenue was $1,189,004, which increased in comparison to revenue of $1,107,639 in the three-month period ended March 31, 2020. The Company had cost of sales of $881,580 and $647,155 respectively for the three months ended March 31, 2021 and 2020. This translated in gross profit of $307,424 or 26% and $460,484 or 42% for the three-month period ended March 31, 2021 and 2020, respectively.

For the three months ended March 31, 2021, total operating expenses were $747,860 (2020 - $1,250,874), a decrease of $503,014 or 40% primarily a result of lower share based compensation in the quarter.

Operating results for the year ended December 31, 2020 and 2019

For the year ended December 31, 2020, revenue was $4,613,565, which decreased in comparison to revenue of $5,370,226 in the prior period. The Company had cost of sales of $3,232,792 and $3,658,773, respectively, for the years ended December 31, 2020 and 2019. This translated in gross profit of $1,380,773 or 26% and $1,711,453 or 32% for the year ended December 31, 2020 and 2019, respectively.

For the year ended December 31, 2020, total operating expenses were $3,877,830 (2019 - $8,869,596), an decrease of $4,991,766. The primary reason for the decrease was a result of the derecognition of the US operations for all of 2020.

- The depreciation and amortization expenses of $691,230 (2019 - $1,323,145) as a number of tangible and intangible assets were impaired during the year and the US operations were derecognized.

Quarterly Results

Selected financial information for the previous 8 quarters as follows:

Quarter ended	Revenues	Net loss	Net loss and comprehensive loss	Net loss per share
March 31, 2021	$1,189,004	$(77,413)	$(53,500)	$(0.0003)
December 31, 2020	$(1,401,266)	$1,594,412	$1,448,228	$0.006
September 30, 2020	$1,112,950	$(105,057)	$(106,697)	$(0.001)
June 30, 2020	$3,730,986	$(3,008,408)	$(3,429,353)	$(0.012)
March 31, 2020	$1,107,639	$(790,390)	$(215,081)	$(0.0001)
December 31, 2019	$1,051,269	$(12,535,363)	$(11,890,388)	$(0.057)
September 30, 2019	$1,097,115	$(1,917,475)	$(1,849,271)	$(0.009)
June 30, 2019	$1,233,807	$(1,173,454)	$(1,180,025)	$(0.005)

Financial instruments

At the date of this MD&A, the Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

The fair value of a financial instrument is a point in time estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company faces the risk that fair values of financial instruments will fluctuate or that estimates used regarding fair values will be inaccurate.

The carrying amount of cash and cash equivalents, accounts receivable, inventory, prepaid and other assets, and accounts payable and accrued liabilities included in the Company's statements of financial position approximate their fair values because of the short-term nature of the instruments.

Credit Risk

Credit risk arises on the potential that a counterparty to which the Company provides goods or services is unable or unwilling to fulfill their obligations. The extent of the risk depends on the credit quality of the counterparty to which the goods or services are provided. At March 31, 2021, the Company's credit risk consisted primarily of carrying amount of the accounts receivable. The Company has an expected credit loss ("ECL") impairment model, which is designed to be an unbiased and probability-weighted amount that has been determined by: evaluating possible outcomes; the time value of money; reasonable and supportable information about past events; and current and forecasted economic conditions.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. Since inception with its US operations, the Company has relied primarily on private equity and debt financings to fund its operations, establish the initial sales, marketing and advertising strategies, develop products, and protect intellectual property (such as trademarks). The Company has had recurring operating losses since inception. The Company expects such losses to lessen moving forward into the foreseeable future as it continues to develop and commercialize its products and pursue its business strategy. See "*Risk Factors*."

The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a working capital deficiency of $2,524,575 (December 31, 2020 – $2,598,658), current assets of $285,747 (December 31, 2020 - $471,292) and current liabilities of $2,810,322 (December 31, 2020 - $3,069,950). All the Company's financial liabilities and receivables have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash flow generated (used in) operating activities was $(89,947) for the period ended March 31, 2021, decreased by $11,778,486 from the cash flow generating by operating activities of $11,688,539 in the prior period. Cash flows generated from (used in) operating activities are lower in the current period mainly due to accounts payable.

Cash flow used in investing activities was $nil for the period ended March 31, 2021, compared to cash used in the prior period of $2,602.

Cash generated by financing activities was $17,408 for the period ended March 31, 2021 compared to the prior period of $46,942. The decrease in cash provided was due to no private placements held in the current period.

Foreign Currency Exchange Risk

Currency risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. As at March 31, 2021, the Company had functional currency of Canadian dollars. The US operations were derecognized from the effective date of January 1, 2020, therefore the foreign currency exchange risk has been reduced significantly.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is currently not exposed to interest rate risk as all interest bearing instruments are carried at fixed interest rates.

Related Party Transactions and Key Management Compensation

Key management personnel includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

Compensation provided to key management is as follows:

		Three Months Ending March 31, 2021		**2020**
Salaries, benefits and consulting fees	$	138,509	$	702,844
Share based compensation		29,854		435,607
Total	$	168,363	$	1,138,451

Disclosure of Outstanding Share Data

As at March 31, 2021, the Company had 253,238,000 common shares, 11,587,127 stock options, 21,200,000 performance warrants and 62,331,584 warrants outstanding. As at December 31, 2020, the Company had 253,238,000 common shares, 12,747,917 stock options, 21,200,000 performance warrants and 62,331,584 warrants outstanding.

Subsequent Events

The Company has evaluated all subsequent events through June 30, 2021, which is the date of this MD&A. Management has determined that except noted below, no events or transactions occurring after the balance sheet date substantially affects the amounts, presentation, and disclosure of the Financial Statements.

On May 3, 2021, the Ontario Securities Commission accepted the Company's application for, and granted, a management cease trade order (the "MCTO"). The MCTO has extended the Company's 2020 annual and 2021 first quarter ("Q1") filings to July 3, 2021. Subsequent to this date the Company will hold its annual general meeting. At this meeting, the Company will be electing a new slate of directors and will be discussing its 2021 business direction.

On May 25, 2021, the Company settled the CHU claim. The result of the settlement effectively gave control of TOK NV and its subsidiaries to CHU. It was assumed that control was effectively lost from January 1, 2020 and thus TOK NV has been derecognized from these consolidated financial statements for 2020, which resulted in a loss on legal settlement of $175,177.

Off-Balance Sheet Arrangements

As of March 31, 2021, the Company has no off-balance sheet arrangements.

Critical Accounting Estimates and Judgments

The preparation of the Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis of its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates relate to:

- Valuation of equity investments;
- Allowance for expected credit losses;
- Estimated useful lives, impairment considerations and amortization of property and equipment and intangible assets;
- Share based payments;
- Intangible assets valuation;
- Business combinations; and
- Goodwill valuation.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at March 31, 2021 covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

CAUTION REGARDING BUSINESS

There are a number of risks associated with the business of the Company. See section entitled "*Risk Factors*" below for a detailed list of all relevant risk factors.

Canadian Law

The Company does not currently manufacture or distribute any products in Canada.

Risk Factors

Ownership of the Company's common shares is subject to certain risks. Shareholders should consider the risks set forth below, which are in addition to the usual risks associated with an investment in a business at a relatively early stage of development. The directors of TOKI consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with TOKI's business, actually occur, TOKI's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Operating history

TOKI is subject to many risks common to an emerging industry sector, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of substantial revenues. There is no assurance that TOKI will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its relatively early stage of this emerging industry sector. TOKI has no history of earnings. Because TOKI has a relatively limited operating history in an emerging area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

Historically TOKI has financed its operations through equity and convertible debt financing. While TOKI has begun to generate revenues, these revenues are not currently sufficient to support TOKI's existing operation or expansion. There is no assurance TOKI will be able to maintain the current level of revenue or access further equity. If TOKI is unable to sustain or grow its revenue and not be able to attract further equity financing, TOKI would suffer significant financial damage.

TOKI's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

COVID-19 Pandemic

The Company's business could be materially and adversely affected by the outbreak of a widespread epidemic or pandemic or other public health crisis, including arising from the novel strain of the coronavirus known as "COVID- 19." A local, regional, national or international outbreak of a contagious virus, including the novel coronavirus, COVID-19 could cause staff shortages, reduced customer demand, supply shortages, and increased government regulation all of which may negatively impact the business, financial condition and results of operations of the Company.

In late 2019, COVID-19 was first detected in Wuhan, China. Since then, the virus has spread to over 100 countries. During March 2020, many governments ordered all but certain essential businesses closed and imposed significant limitations on the circulation of the populace. Furthermore, certain illnesses may be transmitted through human or surface contact, and the risk of contracting such illnesses could cause employees and customers to avoid gathering in public places, as was the case in many places during the ensuing months due to concerns about the coronavirus. This could adversely affect the Company's ability to adequately staff and supply its facilities. The Company could be adversely affected if governments under which it or its suppliers operate impose mandatory closures, seek voluntary closures, or impose restrictions on operations.

The Company's ability to successfully operate and sell its products and services will depend on the whether it and its customers and suppliers are able to continue to operate, and the nature of restrictions on such operations. Depending on the duration and severity of the current COVID-19 pandemic, or if there is a resurgence of the COVID-19 pandemic, different or additional operating restrictions may be imposed on the Company, its customers and suppliers, and consumers of marijuana products. Such restrictions may negatively impact the Company's ability to maintain operations and the market for the Company's products. At the time of this MD&A it is unclear as to whether COVID-19 represents a material disruption of TOKI's business as clinical operations have resumed.

Additional financing

The Company will need to raise significant additional funds in order to support its growth, develop new products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. It will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing will be available on acceptable terms, or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders.

Access to public and private capital and financing may be negatively impacted by many factors including global volatility and market turmoil generally. Such factors may impact the Company's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility and market turmoil persist, the Company's operations and financial condition could be adversely impacted.

Reliance on securing agreements with Licensed Suppliers

TOKI currently relies on third parties for its supply of CBD in the targeted jurisdictions that have been able to obtain a license to grow industrial hemp from the appropriate regulatory authorities. Failure of a licensed supplier to comply with the requirements of their license or any failure to maintain their license would have a material adverse impact on the supply of materials and therefore the business, financial condition and operating results of TOKI.

Changes in Laws, Regulations and Guidelines

The activities of TOKI are subject to regulation by governmental authorities. Achievement of TOKI's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TOKI cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of TOKI.

TOKI's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. TOKI cannot predict the nature of any future laws, regulations, interpretations, policies or applications, nor can it determine what effect additional governmental regulations or administrative interpretations or procedures, when and if promulgated, could have on TOKI's operations.

Changes to such laws, regulations and guidelines due to matters beyond the control of TOKI may cause adverse effects to TOKI's operations.

Local, state, federal and international laws and regulations governing cannabis for medicinal and adult use purposes are broad in scope and are subject to evolving interpretations, which could require TOKI to incur substantial costs associated with bringing TOKI's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt TOKI's operations and result in a material adverse effect on its financial performance. It is beyond TOKI's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can TOKI determine what effect such changes, when and if promulgated, could have on TOKI's business.

Product liability, operational risk

As a manufacturer and distributor of products designed to be ingested by humans, the licensed suppliers and TOKI face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis-infused products based on TOKI's recipes and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of TOKI's and the licensed supplier's products alone or in combination with other medications or substances could occur.

Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by TOKI are recalled due to an alleged product defect or for any other reason, TOKI could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. In addition, a product recall may require significant management attention and could harm the image of the brand and Company.

Uninsurable risks

The medical and retail cannabis business is subject to several risks that could result in damage to or destruction of properties or facilities or cause personal injury or death, environmental damage, delays in production and monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and TOKI may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of TOKI. TOKI does not currently have any insurance policies covering its properties or the operation of its business and any liabilities that may arise as a result any of the above noted risks may cause a material adverse effect on the financial condition of TOKI.

Reliance on management

The success of TOKI is currently dependent on the performance of its senior management. The loss of the services of these persons would have a material adverse effect on TOKI's business and prospects in the short term. There is n o assurance TOKI can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on TOKI and its prospects.

Factors which may prevent realization of growth targets

TOKI is currently in the development stage. There is a risk that the additional resources will be needed, and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to TOKI and its licensed suppliers:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

Risks associated with increasing competition

The cannabis industry is highly competitive. TOKI will compete with numerous other businesses in the medicinal and adult use industry, many of which possess greater financial and marketing resources and other resources than TOKI. The cannabis business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labour, and governmental regulations. Any change in these factors could materially and adversely affect TOKI's operations.

TOKI expects to face additional competition from new entrants. If the number of legal users of cannabis in its target jurisdiction increases, the demand for products will increase and TOKI expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products.

Environmental and employee health and safety regulations

TOKI's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. TOKI will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated evets could require extensive changes to TOKI's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TOKI.

Difficult to forecast

TOKI must rely largely on its own market research and its interpretation of third-party data to forecast sales of its CBD products as detailed forecasts are not generally obtainable from other sources at this relatively early stage of the cannabis industry in Canada, the U.S. and internationally. A failure in the demand for its products to materialize as a result of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of TOKI.

Management of growth

TOKI may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of TOKI to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of TOKI to deal with this growth may have a material adverse effect on TOKI's business, financial condition, results of operations and prospects.

Dividends

TOKI has no earnings or dividend record and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by TOKI would be subject to tax and, potentially, withholdings.

Scientific research related to the benefits of cannabis remains in early stages, is subject to several important assumptions and may prove to be inaccurate.

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids remains in the relatively early stages, however, clinical trials are being held at a steadily increasing pace and certain applications have even been approved for use in children. Any statements concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, any statements made herein are subject to the experimental parameters, qualifications, assumptions and limitations in the studies that have been completed.

Although TOKI believes that the articles and reports, and details of research studies and clinical trials that are publicly available reasonably support its beliefs regarding the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect or could raise concerns regarding and perceptions relating to cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this prospectus or reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could materially impact TOKI.

Negative publicity or consumer perception may affect the success of our business.

The success of the cannabis industry may be significantly influenced by the public's perception of cannabis. Both the medical and recreational use of cannabis are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to cannabis will be favourable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical and recreational cannabis is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion (whether or not accurate or with merit) relating to the consumption of cannabis, whether in Canada, the United States or elsewhere, may have a material adverse effect on our operational results, consumer base and financial results. Among other things, such a shift in public opinion could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which TOKI could identify potential acquisition opportunities.

Certain events or developments in the cannabis industry more generally may impact TOKI's reputation.

Damage to TOKI's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Cannabis has often been associated with various other narcotics, violence and criminal activities, the risk of which is that our business might attract negative publicity. There is also risk that the action(s) of other participants, companies and service providers in the cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the reputation of TOKI. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to TOKI and its activities, whether true or not and the cannabis industry in general, whether true or not. TOKI does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to TOKI's overall ability to advance its business strategy and realize on its growth prospects, thereby having a material adverse impact on TOKI.

Potential Adverse Tax Consequences from the Payment of Dividends on the Company's Shares

The Company does not contemplate paying any dividends on the Company's common shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purpose of the ITA will be subject to U.S. withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Canada-United States Tax Convention. In addition, a foreign tax credit or a deduction in respect of foreign taxes may not be available.

Dividends received by U.S. shareholders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. After giving effect to the Transaction, it is anticipated that the Company will be a U.S. corporation for U.S. federal income tax purposes. As such, dividends paid by the Company will be characterized as U.S. source income for purposes of the foreign tax credit rules under the Code. Accordingly, U.S. shareholders generally would not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor U.S. shareholders will be subject to U.S. withholding tax and would also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to a shareholder of the Company, subject to examination of the relevant treaty.

ADDITIONAL INFORMATION:

Additional information relating to the Company including the Financial Statements, and press releases issued by the Company, are available under the Company's profile on SEDAR at www.sedar.com.