

Zidane Capital Corp.
Management's Discussion and Analysis for the
Three Months Ended April 30, 2016
Expressed in Canadian Dollars
Dated June 29, 2016

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations for the three months ended April 30, 2016. The MD&A should be read in conjunction with the financial statements and notes thereto ("Statements") of Zidane Capital Corp. ("Company") for the three months period ended April 30, 2016 and the audited financial statements for the year ended January 31, 2016. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of June 29, 2016.

NATURE OF BUSINESS

The Company was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 12, 2010. The Company is a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "TSX-V").

NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 12, 2010. Its registered office is Suite 300 – 576 Seymour Street, Vancouver, BC, Canada, V6B 3K1. The Company is a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "TSX-V") and trades under the symbol "ZZE.H" on the NEX board. The stock was halted in September of 2012 pending closing of the Qualifying Transaction with Grid Essence Holdings Limited. The Qualifying Transaction with Grid Essence Holdings Limited was terminated in November of 2014 and the stock remains halted.

The Company is in the process of allocating a Qualifying Transaction ("QT") pursuant to the requirements of Policy 2.4. The TSX-V may suspend from trading or delist the Company's shares if has not issued a Final Exchange Bulletin to the Company in respect of the QT within 24 months after the date of listing. The Company's two-year period expired on May 22, 2013 and the Company was suspended. On October 23, 2013, the Company was moved to NEX, a separate board of the TSX-V. The NEX is a trading forum for listed companies that have fallen below the TSX-V's ongoing listing standards. In connection with the move to NEX, 1,000,000 common shares held by the directors and officers of the Company were cancelled.

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms, which are satisfactory to it. Furthermore, there is no assurance that the businesses acquired will be profitable.

PROPOSED TRANSACTION

The Company signed a letter agreement on November 26, 2015 and an Amalgamation Agreement on January 6, 2016 with Precursor Capital Corp. ("Precursor") and HydRx Farms Ltd. ("HydRx") for the purposes of completing Zidane's Qualifying Transaction. HydRx is a

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private company existing under the laws of Canada with a goal to be a leader in the Canadian medical marijuana industry. HydRx has applied to Health Canada to obtain a license under the Medical Marijuana Purposes Regulations ("MMPR") and has requested Health Canada to conduct a pre-licensing inspection, which is the final step prior to the issuance of cultivation licenses under the MMPR legislation. Once licensed, HydRx intends to immediately begin production of multiple strains of hydroponically grown high quality medical cannabis in its wholly owned 44,000 sq. ft. industrial production facility in Whitby, Ontario, approximately 60 KM from downtown Toronto. Precursor is a private company existing under the laws of Canada. Precursor negotiated and arranged the \$1M private placement of the HydRx debentures (the "HydRx Debentures"), serves as the security agent for the HydRx Debentures and proposed the Qualifying Transaction. As of the date hereof, Precursor has 863,905 common shares issued and outstanding and no securities exercisable or exchangeable for, or convertible into, or other rights to acquire any additional Precursor shares.

The transaction is subject to requisite regulatory approval, including the approval of the TSX Venture Exchange and standard closing conditions, including the approval of the directors of each of Zidane, HydRx and Precursor. The proposed Qualifying Transaction will result in a change of control and reverse takeover of Zidane. The amalgamation of HydRx and Precursor is subject to the approval of the security-holders of HydRx and Precursor. In addition, as Gary Floyd, Casper Bych and Raymond Fortier are shareholders of Precursor and also insiders of Zidane, the Transaction will be a non-arms length transaction and as such will be subject to the approval of the disinterested shareholder of Zidane.

As of the date hereof, HydRx has 4,501,377 common shares ("HydRx Shares") issued and outstanding and 5,066,000 Series 1 Preferred Shares ("HydRx Preferred Shares") issued and outstanding. Each HydRx Preferred Share automatically converts into one HydRx Share without any additional consideration upon the earlier of the date (i) Health Canada issues the MMPR License; and (ii) HydRx becomes a publicly traded company.

HydRx has 5,066,000 warrants outstanding, with each warrant entitling the holder to subscribe for one HydRx Share at a price per share of \$1.50 for a period that ends 48 months following the issuance of the MMPR License. In addition, HydRx has 486,003 broker warrants outstanding, with each broker warrant entitling the holder to acquire one HydRx Share at a price of \$1.25 and \$1.50 for a period ending 24 months after HydRx becomes a publicly listed company.

HydRx also has \$1,000,000 convertible debentures (the "Debentures") issued and outstanding. The Debentures automatically convert into units ("Units") of HydRx at a price per Unit of \$1.00 upon the issuance of the MMPR License. Each Unit consists of one HydRx Preferred Share and one full warrant (the "Debenture Warrant"). Each full Debenture Warrant will be exercisable into one HydRx Share at a price of \$1.50 per share for a period of 48 months following the issuance of the MMPR License. A Debenture holder may at its option convert Debentures into Units at a price per Unit of \$0.75 if converted prior to the issuance of the MMPR License.

In addition, HydRx also has \$1,050,000 convertible debentures (the "Round 2 Debentures") issued and outstanding. The Round 2 Debentures automatically convert into units ("Units") of HydRx at a price per Unit of \$1.30 upon the issuance of the MMPR License. Each Unit consists of one HydRx Preferred Share and one full warrant (the "Debenture Warrant"). Each

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full Debenture Warrant will be exercisable into one Hydrx Share at a price of \$1.50 per share for a period of 48 months following the issuance of the MMPR License. A Debenture holder may at its option convert Debentures into Units at a price per Unit of \$1.00 if converted prior to the issuance of the MMPR License.

Zidane proposes to acquire all of the Hydrx Shares and Precursor common shares by way of a three-cornered amalgamation pursuant to the terms of the Amalgamation Agreement following, and subject to, the issuance of the MMPR License and satisfaction of the other closing conditions. Pursuant to the Transaction, Zidane, Hydrx and Precursor will amalgamate and the security-holders of Hydrx and Precursor will become security-holders of Zidane.

The shareholders of Hydrx will receive one New Zidane Share (on a post-consolidation basis) in exchange for each Hydrx Share (on an as converted basis - i.e., assuming the conversion of all of the Preferred Shares, including those to be issued in the Offering, and the conversion of all of the Debentures and Round 2 Debentures). The shareholders of Precursor will receive one New Zidane Share (on a post-consolidation basis) in exchange for each Precursor common share.

Zidane will complete a 2.5:1 consolidation (the "Zidane Consolidation") and upon completion of such consolidation, Zidane will have 980,211 New Zidane Shares issued and outstanding (following conversion of all of the 311,500 Zidane options).

Zidane and Hydrx may be required to pay termination fees in certain circumstances should the Transaction not be completed.

FORWARD LOOKING STATEMENTS

Certain information included in this MD&A may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results, which are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

DISCUSSIONS OF OPERATIONS AND FINANCIAL CONDITION

As at April 30, 2016, the Company had not completed a Qualifying Transaction and all business activity was directed towards the identification of a Qualifying Transaction.

The Company's expenditures include costs to maintain a public company in good standing and expenses to identify and evaluate acquisitions of companies, businesses, assets or properties. Public company costs include professional fees for audit and legal, transfer agent fees, exchange listing and filing fees and costs of preparing, printing, filing and mailing quarterly reports, annual general meeting materials and other continuous disclosure documents to shareholders, as applicable.

SELECTED FINANCIAL INFORMATION

This section analyzes any significant changes in the audited consolidated financial statements for the year ended April 30, 2016, compared to those for the same period ended April 30, 2015.

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The audited financial statements and the accompanying notes for the twelve month period ended January 31, 2016 (the 'Financial Statements') are incorporated by reference herein and form an integral part of Management's Discussion and Analysis. The Financial Statements can be found on www.sedar.com. All financial information is reported in Canadian dollars unless otherwise noted.

Table 1 presents a summary of selected annual financial information for the three fiscal years to January 31, 2016

	Jan 31, 2016 \$	Jan 31, 2015 \$	Jan 31, 2014 \$
Net Loss	44,342	27,892	46,898
Basic and diluted loss per share	0.02	0.01	0.02
Revenue	2,585	2,975	3,007
Expenses	46,927	30,867	49,905
Cash and cash equivalents, end of period	200,602	241,214	265,118
Assets	206,273	247,528	269,644
Liabilities	49,032	40,946	35,169
Working Capital	151,570	206,582	234,475
Total Stockholders Equity	151,570	206,582	234,475

Table 2 presents two years of comparative selected quarterly results.

	Apr 30, 2016 \$	Jan 31, 2016 \$	Oct 31, 2015 \$	Jul 31, 2015 \$	Apr 30, 2015 \$	Jan 31, 2015 \$	Oct 31, 2014 \$	Jul 31, 2014 \$
Revenue	55	549	610	982	444	722	722	818
Expenses	8,388	26,486	5,844	9,689	4,908	12,468	8,883	9,196
Net loss	8,333	25,937	5,234	8,707	4,464	11,746	8,161	8,378
Net loss per share: basic:	0.00	0.00	0.00	0.00	0.00	\$ 0.02	0.00	0.00
Cash and cash equivalents, end of period	199,727	200,602	205,985	238,029	243,739	243,757	244,990	256,771
Assets	205,908	206,273	210,160	241,303	248,198	247,529	250,240	260,571
Working Capital	165,598	151,570	182,976	188,410	197,119	201,583	213,328	221,490

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2016 the Company had cash and cash equivalents of \$199,727 and working capital of \$165,598. The Company's cash was derived from the issuance of 3,139,052 common shares for gross proceeds of \$425,317, less amounts paid for certain costs relating to the creation of a Prospectus for the Company's initial public offering, filing and TSX-V fees, agent's fees and legal expenses.

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On May 18, 2015, the Company purchased a term deposit, comprised of one Coast Capital GIC maturing on May 18, 2016 with a total principal amount of \$103,410. The interest rate is 1.00% per annum.

Upon closing of its initial public offering of two private placements totaling \$399,910 net of share issuance costs, management believes that the Company has sufficient working capital to meet its ongoing administrative costs. As a capital pool company, the Company's only source of revenue will be interest income, thus working capital is expected to decrease pending the completion of a Qualifying Transaction.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company is not yet party to any industry contracts or arrangements and does not have any offbalance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RISKS AND UNCERTAINTIES

The Company is a capital pool company under the policies of the TSX-V. If the Company fails to complete a Qualifying Transaction within 24 months of the listing, the TSX-V could suspend or delist the common shares of the Company. The applicable securities commission may issue an interim cease trade order against the Company's securities if the common shares of the Company are suspended from trading on the TSX-V, and will issue such an interim cease trade order if the Company is delisted from the TSX-V. In addition, delisting from the TSX-V will result in the cancellation of all currently issued and outstanding securities of the Company held by Insiders.

Although management of the Company will work diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into nor completed.

Until completion of a Qualifying Transaction the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and sundry receivable. Cash and cash equivalents balances are held with a reputable financial institution, from which management believes the risk of loss to be remote. Financial instruments included in sundry receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in sundry receivable is remote.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2016, the Company had a cash and cash equivalents balance of \$199,727 to settle current

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liabilities of \$38,310. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as the maintenance of liquidity.

RELATED PARTY TRANSACTIONS

At April 30, 2016, the Company owed \$29,530 to a company owned by a director for office rent and GST/HST and \$1,155 to a director and officer of the company for expenses paid on behalf of the company.

The foregoing transactions were conducted in the ordinary course of business and recorded at their exchange amounts, which was the consideration paid or received by the Company as agreed to between the related parties.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, sundry receivable, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

The Company's financial instruments (cash and cash equivalents, sundry receivable, and accounts payable and accrued liabilities) are not subject to market risk.

The Company is not involved in any hedging program, nor is it a party to any financial instruments that may have an impact on its financial position.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and cash equivalents. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

	Level One	Level Two	Level Three
Cash and cash equivalents	\$199,727	\$ -	\$ -

CRITICAL ACCOUNTING ESTIMATES

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the January 31, 2016 audited financial statements.

FUTURE ACCOUNTING PRONOUNCEMENTS

Consolidations and Non-Controlling Interests CICA

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Handbook Section 1601 "Consolidations" and Section 1602 "Non-Controlling Interests" replace Section 1600 "Consolidated Financial Statements". Section 1602 provides the Canadian equivalent to International Accounting Standard 27 - "Consolidated and Separate Financial Statements", for noncontrolling interests. These standards are effective for fiscal years beginning on or after January 1, 2011. The Company is currently evaluating the impact of the adoption of this section.

Business Combinations

CICA Handbook Section 1582 "Business Combinations", replaces Section 1581 - "Business Combinations" and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 - Business Combinations. This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be re-measured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. This standard is effective for fiscal years beginning on or after January 1, 2011. The Company is currently evaluating the impact of the adoption of this section.

International Financial Reporting Standards ("IFRS")

These financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board ("IASB") that are effective or available for early adoption for the period ended April 30, 2016.

PROPOSED TRANSACTIONS

There is no imminent decision by the Board of Directors of the Company with respect to any transaction beyond what is included in this MD&A.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, capital stock and accumulated deficit.

In order to fund a future Qualifying Transaction and pay for administrative costs, the Company will spend its existing working capital and may have to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended April 30, 2016. The Company is not subject to externally imposed capital requirements.

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POTENTIAL DILUTION

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

CURRENT GLOBAL FINANCIAL CONDITIONS

Current global financial conditions have been characterized by increased volatility, declining liquidity and the exit of a number of traditional investors from public markets. Access to public financing has been made more challenging by a global contraction of commercial and consumer credit markets. The ensuing decline in consumption has led to a marked erosion of investor confidence and risk tolerance.

A major consequence/contributor to these factors may be seen in the unparalleled number of established financial institutions facing involuntary corporate reorganization, insolvency, bankruptcy and/or governmental intervention. While the most sensational of the corporate casualties have occurred in the United States, the global nature today's economic reality has left no interrelated public market unscathed. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company or at all. Any or all of these economic factors, as well as other factors not specifically identified herein, may cause a decline in asset values that could be deemed to be other than temporary, resulting in impairment losses. If such conditions continue, the Company's operations could be negatively impacted, and the trading price of its common shares may be adversely affected.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions.

Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

DISCLOSURE AND INTERNAL FINANCIAL CONTROLS

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that:

- (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the audited financial statements; and
- (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented by the audited financial statements.

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

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

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

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

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. On June 29, 2016, there were 2,232,502 common shares issued and outstanding, 218,050 stock options outstanding with a weighted average exercise price of \$0.20 expiring in 2016.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website www.sedar.com.