MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating and financial performance of CanniMed Therapeutics Inc. as reported in its condensed consolidated interim financial statements for the three months ended January 31, 2018 with the corresponding period of 2017 (the "Financial Statements") has been prepared as of March 16, 2018. This discussion is the responsibility of Management and has been prepared using International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. This discussion should be read in conjunction with the Company's Financial Statements and notes thereto (unaudited) and the Company's audited consolidated financial statements and notes thereto for the year ended October 31, 2017. The Board of Directors has approved the disclosure presented herein. All amounts referred to in this discussion are expressed in thousands of Canadian dollars, except where otherwise indicated. Per share amounts are expressed in Canadian dollars per share of CanniMed.

References to "CanniMed", the "Company", "we", "us", "our" or similar terms refer to CanniMed Therapeutics Inc. and its direct and indirect subsidiaries as at October 31, 2017. "SubTerra" refers to SubTerra LLC., our wholly-owned subsidiary which owns a 100% interest in underground plant growth facility at White Pine, Michigan. "PM Power" refers to P.M. Power Group, Inc., the former wholly-owned subsidiary of Prairie Plant Systems Inc., which indirectly owns an electric power generating facility located at White Pine, Michigan.

Readers should be aware that:

- This MD&A contains certain "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") that are subject to risk factors set out in a cautionary note contained in our MD&A.
- This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which may differ materially from the requirements of United States securities laws applicable to US issuers.
- We use a number of non-IFRS financial performance measures in our MD&A.
- The technical and scientific information in this MD&A has been approved by qualified persons based on a variety of assumptions and estimates.

For a discussion of each of the above matters, readers are urged to review the "Notes to Reader" discussion within this MD&A.

OVERVIEW

CanniMed Therapeutics Inc. (TSX – CMED) is a Canadian-based, international plant biopharmaceutical company and a leader in the Canadian medical cannabis industry, with 17 years of pharmaceutical cannabis cultivation experience, state-of-the-art, GMP-compliant production process and world class research and development platforms with a wide range of pharmaceutical-grade cannabis products. Operations and production are subject to regulatory approval.

CanniMed, through its subsidiaries, was the first producer to be licensed under the Marihuana for Medical Purposes Regulations, the predecessor to the current Access to Cannabis for Medical Purposes Regulations. It was the sole supplier to Health Canada under the former medical marijuana system for 13 years and has been producing safe and consistent medical marijuana for thousands of Canadian patients, with no incident of product diversion or recalls.

ADDITIONAL INFORMATION

Additional information related to the Company, including its Annual Information Form, is available on the Canadian Securities Administrators' filing system website at: www.sedar.com. Certain documents are also available on the Company's website at: www.cannimedtherapeutics.com.

FIRST QUARTER 2018 HIGHLIGHTS

Three months ended January 31,	**2018**	2017
Financial Data		
Revenue	**$4,818**	$3,411
Cost of sales	**$590**	$1,585
Gain (loss) on derivative instruments	**$23,604**	$(2,444)
Mark to market loss on marketable securities	**$2,191**	$ -
Earnings (loss) before income tax	**$8,230**	$(4,023)
Net earnings (loss)	**$5,324**	$(3,880)
Adjusted EBITDA from continuing operations [(1)]	**$33**	$(13)
Revenue per gram of dried marijuana equivalent	**$10.56**	$9.71
Operating Data		
Total dried marijuana produced (harvested) (000s grams)	**891**	496
Total dried marijuana equivalent sold (000s grams)	**455**	341

[(1)] Adjusted EBITDA is a non-IFRS measure with no standard definition under IFRS. See description and reconciliation of non-IFRS measures in the Non-IFRS Financial Measures and Reconciliations section of this MD&A.

- Sales of $4.8 million for the first quarter of 2018 were 41% higher than Q1 2017.
- Concentrated cannabis oils sales revenues were approximately 58% of total revenues for the period.
- Higher sales revenues were driven by rising demand, as dried equivalent medical cannabis sales in the three months ended January 31, 2018 increased 33% from the comparable period in 2017 to 455 kg, at an average selling price of $10.56 per gram equivalent.
- Adjusted EBITDA was $0.03 million for the three months ended January 31, 2018 was relatively unchanged period over period (Q1 2017 - $(0.01) million).
- Net earnings of $5.3 million for the three months ended January 31, 2018, including a $23.6 million gain on derivative instruments (Q1 2017 - $3.9 million net loss, including a $2.4 million loss on derivative instruments, relating primarily to conversion rights on debentures that were either exercised or expired during the first quarter of 2017), partly offset by transaction costs of $13.1 million (Q1 2017 - $nil) and a mark to market loss on marketable securities of $2.2 million (Q1 2017 - $nil).
- During the first quarter of fiscal 2018, entered into a global marketing and distribution agreement with leading global pharmaceutical compounding company Fagron NV.
- With current and planned capital expenditures, the Company is targeting production expansion which is estimated to reach 17,000 to 21,000 kg within the next 24 months.
- Launched CanniMed Topical Cream, an innovative new product that has been formulated to provide relief from pain and inflammation. The Company began fulfilling orders and shipping CanniMed® Topical Cream Kits to registered patients during the second quarter.
- Prepared to commence sales of cannabis oil capsules, building inventory in anticipation of Health Canada approval in the second quarter of 2018.
- Continued negotiations with several Canadian pharmacy chains and signed a Supply Agreement with PharmaChoice.
- Pursuing accretive transactions including recreational opportunities in accordance with applicable laws and regulations.
- Agreed to terms of a tender offer by Aurora Cannabis Inc. to purchase all of the issued and outstanding shares of the Company in exchange for cash and shares of Aurora, as detailed in the Corporate Developments section below.

CORPORATE DEVELOPMENTS

CanniMed Therapeutics Inc. and Aurora Cannabis Agree to Terms on Friendly Transaction

On January 24, 2018, CanniMed and Aurora Cannabis Inc. ("Aurora") entered into a support agreement (the "Support Agreement") whereby the Board of Directors and the Special Committee of the CanniMed Board have agreed to support a new offer ("New Offer") made by Aurora for the acquisition of all of the issued and outstanding shares of CanniMed not owned by Aurora.

Under the New Offer, CanniMed shareholders may receive in respect of each CanniMed share, 3.40 Aurora shares or a combination of cash and shares at the election of each CanniMed Shareholder, subject to pro-ration with the maximum aggregate cash consideration of $140 million. Based on an implied Aurora share price of $12.65 and the 3.40 exchange ratio, the New Offer would equate to $43.00 per CanniMed share.

The total consideration for CanniMed under the New Offer is approximately $1.1 billion based on Aurora's implied share price of $12.65 and the maximum cash amount of $140 million. The number of Aurora shares to be issued will be between approximately 72 million (assuming full cash elections) and 84 million (assuming full share elections and no cash elections). Assuming maximum cash elections by all CanniMed shareholders, each CanniMed shareholder would receive $5.70 in cash and 2.9493 Aurora shares.

Support Agreement

Pursuant to the Support Agreement CanniMed recommended to its shareholders in an amended directors' circular that CanniMed Shareholders tender to the Aurora New Offer. In addition to the foregoing, Aurora received customary non-solicitation protection and a right to match any competing proposal made to CanniMed and a break fee payable to Aurora in certain circumstances, together with customary representations and warranties. In addition to the Locked-up Shareholders certain CanniMed shareholders representing approximately 15% of the issued shares of CanniMed, including Brent Zettl, Chief Executive Officer, agreed to support the New Offer.

The New Offer and the transaction are subject to customary closing conditions.

Termination of Newstrike Arrangement Agreement

In connection with the New Offer, CanniMed entered into a termination agreement with Newstrike Resources Ltd. ("Newstrike"), terminating the arrangement agreement between Newstrike and CanniMed, resulting in the payment of a $9.5 million break fee to Newstrike by Aurora on behalf of the Company. As a result, a CanniMed shareholder meeting originally scheduled for January 23, 2018 and adjourned to January 25, 2018 was cancelled.

Conversion of Newstrike Convertible Debenture and Warrants

Notes 7 and 19 to the Financial Statements provide information on CanniMed's investment in the Newstrike (TSX-V: HIP) shares and warrants. Due to appreciation in the share price of Newstrike, the estimated realizable value of the debenture conversion feature and warrant content increased. As such, during the first quarter, the Company notified Newstrike that it intended to convert its convertible debenture receivable into 10,958,904 shares of Newstrike, exercise the warrants to purchase an additional 10,958,904 shares of Newstrike and to liquidate its resulting position in the Newstrike shares in an orderly manner.

Conversion of the Newstrike debenture into common shares of Newstrike occurred during the first quarter; at January 31, 2018, the Company had 10,958,904 shares of Newstrike. The Company exercised its warrants at an exercise price of $0.42 per share during the second quarter for an additional 10,958,904 shares of Newstrike. The resulting 21,917,808 shares of Newstrike were sold early in the second quarter.

RECENT HIGHLIGHTS

Sale of Non-Core Assets

On March 2, 2018, the Company completed sales of various assets considered not core to its ongoing cannabis business to a related party, the Company's CEO. Items sold include certain assets of the Company's fruit tree business, an 80.1% interest in the Company's SubTerra Division and an 80.1% interest in certain plant based protein research. Sales of the assets of the fruit tree business and plant based protein research were facilitated through the creation of two new subsidiaries into which PPS transferred the assets. At January 31, 2018, the net carrying value of these assets was $2.4 million; as such, this transaction will result in a loss on sale in the second quarter of 2018.

Aurora Successful in Bid for CanniMed Therapeutics Through Take-Up of Shares

On March 9, 2018, Aurora announced that, as at the close of business on March 8, 2018, approximately 70.66% of the total outstanding CanniMed Shares on a fully diluted basis had been tendered to Aurora and that Aurora would take up the tendered CanniMed Shares and pay for those shares not later than three business days after the CanniMed Shares are taken up. Pursuant to applicable Canadian securities laws requiring Aurora to extend its Offer, Aurora extended the period shareholders of CanniMed have to tender their shares under the Offer by 15 days to March 25, 2018.

Aurora Cannabis Take Up of CanniMed Shares

On March 15, 2018, Aurora announced the successful take up and payment of approximately 86.8% of the issued and outstanding shares of CanniMed and that three Aurora appointees will join the CanniMed Board of Directors effective immediately. The CanniMed Board of Directors is now comprised of Mr. John Knowles, Mr. Andrew Jerome, Mr. Michael Scott Dowty and Mr. Michel Lamontagne. Mr. Donald Ching, Mr. Brent Zettl, Ms. Marianne Greer, Mr. Richard Hoyt, Mr. Dwayne Lashyn, Mr. Bruce Mackler and Mr. Brandon Price have resigned their positions as Directors of the Company's Board. Mr. Brent Zettl will stay on as CEO of CanniMed to ensure a successful transition for CanniMed and its employees.

STRATEGY, GOALS AND KEY PERFORMANCE DRIVERS

The Company's strategy is to build on its plant biotech experience and expertise to produce high quality cannabis products, with GMP compliant processes, in a variety of dosage forms. The strategy is pursued in three key areas:

1. Rapidly Increase Production Capacity, including Oils Production

- Increase annual dried production capacity from approximately 7,000 kg to an estimated 17,000 to 21,000 kg with the previously announced additional enclosed growing expansion and by converting existing greenhouses to cannabis production.
- Construct the previously announced cannabis oils processing facility, with design capacity of up to 720,000 liters (approximately 120,000 kg dried marijuana equivalent) of annual oil production.

2. Add to Domestic and International Sales and Develop Recreational Market Opportunities

- Develop new dosage forms, including capsules, sub-lingual wafers and topical applications.
- Expand the Company's distribution channels including pharmacy and other links as they develop.
- Build on relationships in Australia, Cayman Islands and South Africa to introduce CanniMed products in targeted export markets.
- Evaluate opportunities for exposure to markets for non-medicinal cannabis with recreationally focused branding.

3. Use Clinical and Scientific Research and Development to Advance High Quality Product Lines

- Add to the Company's high-quality product line through advancements in research and

development.

Increasing Production Capacity

At its production facility in Saskatchewan, CanniMed is focused on increasing its production capacity. To meet forecast increases in domestic and international demand, CanniMed has commenced engineering and construction of additional production facilities ("POD 2") and a new cannabinoid oils processing facility.

Dry Herbal Capacity

Currently, the Company operates biosecure cannabis growth facilities located in Saskatoon, Saskatchewan, comprised of a 97,000 sq. ft. above-ground production facility and a 96,000 sq. ft. support building which includes laboratories, quality control facilities, maintenance areas, a customer care centre and shipping and distribution facilities. The 97,000 sq. ft. facility houses 30 large individual production growth chambers and has an estimated total annual growing capacity of 7,000 kg.

The Company's planned capital expenditures include the building of an additional production and processing facility with 26 growth chambers. When completed, the facility is expected to add approximately 6,000 kg of annual production capacity to the Company's existing production and processing facilities.

The Company also plans to convert existing greenhouses at its Saskatoon location from non-cannabis fruit production to cannabis production.

Oils Plant

CanniMed has continued with the construction of a state-of-the-art cannabis oils processing facility, with design capacity of up to 720,000 liters (approximately 12 million 60 ml bottles equivalent) of annual oils production. This ethanol extraction plant will allow the Company to continue to be a leader in the oils product segment and to meet demand from patients and pharmacies both domestically and internationally. Civil construction work on the facility, which commenced in the fourth quarter of 2017, is complete. Construction, followed by process testing, will continue during the remainder of 2018.

Deepen Canadian Market Penetration and Develop International Opportunities

The Company has begun manufacturing cannabis oil capsules containing concentrated dosages of its current cannabis oil varieties. The Company will begin sales of capsules upon receipt of Health Canada sales approval, anticipated in the first half of 2018. Management believes that capsules will be more appealing than dried marijuana or bottled oil to physicians and patients, including the largest market segment of baby boomers who are looking for a safe and unobtrusive way to manage their chronic pain symptoms and maintain an active lifestyle.

In January 2018, CanniMed announced the launch of CanniMed Topical Cream, an innovative product that has been formulated to provide relief from localized pain and inflammation. CanniMed Topical Cream is a fusion of CanniMed's industry-leading medical cannabis oil with Kalaya™ Carrier Base Gel, which was created by Avaria Health & Beauty Corp. The Company began fulfilling orders and shipping CanniMed® Topical Cream Kits to registered patients during the second quarter.

The Company is working on new dosage forms including sub-lingual wafers. Relative to dried cannabis, cannabis oils (including capsules) are value-added products with higher prices, higher margins and a greater market opportunity.

Expand Distribution Channels

CanniMed is working to expand the Company's distribution channels including Canadian pharmacy chains and strategic international marketing and distribution agreements.

During the first quarter of 2018, CanniMed executed an agreement with PharmaChoice for exclusive

distribution of CanniMed products by its over 750 pharmacies across Canada. CanniMed continues to work with several other major Canadian pharmacy chains in establishing key distribution agreements for distribution of CanniMed cannabis products when Health Canada legalizes distribution of cannabis through pharmacies.

With respect to international medical cannabis, CanniMed entered into a global marketing and distribution agreement (the "Agreement") in January 2018 with Fagron NV of Rotterdam, The Netherlands. Under the Agreement, Fagron and CanniMed will work closely together in utilizing Fagron's extensive infrastructure to supply CanniMed's medicinal cannabis products in Germany and other specified countries. Pursuant to the terms of the Agreement, CanniMed is working to supplement its Canadian GMP compliant status with GMP certification in Europe for its cannabis products, which it anticipates will be achieved in Q2 2018. Fagron and CanniMed anticipate that product sales into Germany will commence in Q3 2018, subject to obtaining required export permits.

To date CanniMed has established export relationships in Australia, Cayman Islands and South Africa, with export shipments having been made to Australia and Cayman Islands. Discussions with parties in other countries for export sales of CanniMed products are at various stages.

CanniMed reviews and evaluates transactions with the potential to be accretive to shareholder value. At this time, the Company's focus is on the medicinal cannabis market, in accordance with applicable laws.

Research and Development to Advance High Quality Product Line

The Company intends to capitalize on its scientific research capabilities and its proprietary technologies and processes, several of which have been patented.

The Company's dedicated research teams allow the Company to effectively pursue new opportunities to enhance and complement its existing suite of products and services.

RESULTS OF OPERATIONS

Operating Statistics ***Three months ended January 31,***	**2018**	2017
Total dried marijuana produced (harvested) (000s grams)	**891**	496
Total dried marijuana equivalent sold (000s grams)	**455**	341
Total dried marijuana sold (000s grams)	**252**	237
Total oils sold (000s ml)	**1,221**	626

Capital Projects

Capital Expenditures ***Three months ended January 31,***	**2018**	2017
Deferred Development	**$123**	$100
Property, Plant and Equipment	**$1,796**	$339
	$1,919	$439

Cannabinoid Oils Processing Facility to Increase Existing Capacity

Process engineering for the Company's new cannabinoid oils processing ("COP") facility is ongoing; civil works commenced in the fourth quarter of 2017 and construction will continue during 2018. When fully complete, the COP facility is anticipated to have the capacity to produce up to 12 million 60 ml bottles of CanniMed® oil (approximately 120,000 kg dried marijuana equivalent) per year.

(in thousands of CDN dollars, except as otherwise noted) Page 7

Cannabis Growth Facility Expansion Projects

The Company's expansion capital plans for a second POD facility include the engineering, design and construction of an approximately 62,000 sq. ft. production and processing facility. This facility is expected to contain approximately 26 growth chambers, each capable of growing 1,000 plants per cycle, with up to five production cycles harvested each year. The single-story, concrete structure will be located within the 100-acre site of the Company's existing Canadian production, processing and administrative facilities. Civil earth works commenced late in 2017 and are nearing completion. Design and engineering are continuing, with construction expected to take approximately 18 to 24 months.

When completed, the facility is expected to add approximately 6,000 kg of annual production capacity to the Company's existing production and processing facilities.

Renovation of BGC 1 and 2 Growth Facilities

During the second half of fiscal 2017, the Company commenced renovations and upgrades on infrastructure on its BGC growth facilities. During the fourth quarter of 2017, the BGC growth facilities at the Company's Saskatoon location, containing an additional 12 chambers, were taken off-line for upgrading of security and heating, ventilation and air conditioning systems. Six of the 12 chambers are back on line with remaining work scheduled to be completed during the second quarter of fiscal 2018.

Re-deployment of Greenhouse Facilities

The Company's Bio-products division has approximately 16,000 square feet of greenhouse space on its current site which are utilized for a number of horticulture products. The Company is currently working on designs to re-deploy these assets for cannabis production (adding approximately 4,000 kg to 8,000 kg of annual production capacity).

FINANCIAL RESULTS OF OPERATIONS

Revenue

Revenue for the three months ended January 31, 2018 was $4.8 million (Q1 2017 - $3.4 million). The variance in revenue period over period was attributable to a 33% increase in sales volume (Q1 2018 – 455 kg equivalents; Q1 2017 – 341 kg equivalents).

Cost of Sales

Cost of sales varies on a quarterly basis, depending on the number of pre-harvest plants, the strains being grown and where the pre-harvest plants are in the growth cycle at the end of the reporting period. Cost of sales during the three months ended January 31, 2018 includes depreciation of $0.3 million (Q1 2017 - $0.3 million) for both the POD and BGC facilities. For the periods ended January 31, cost of sales was composed of the following:

Three months ended January 31,	**2018**	**2017**
Unrealized gain from changes in fair value of biological assets	**$(3,722)**	$(2,324)
Inventory expensed to cost of sales	**3,224**	3,150
Production costs	**1,088**	759
Cost of sales, net of the unrealized gain on changes in fair value of biological assets	**$590**	$1,585

General and Administrative Expense

For the three months ended January 31, 2018, general and administrative expense was $1.7 million (Q1 2017 - $0.8 million). The majority of this increase was attributable to higher salary and benefits attributable to more personnel and higher accounting, legal and consulting expenses related to building capacity for sales growth.

Transaction Costs

Transaction costs consist of non-recurring expenditures such as legal, consulting and special bonuses pursuant to the merger and acquisition activities during the quarter. For the three months ended January 31, 2018, transaction costs were $13.1 million (Q1 2017 - $nil million). The Company estimates additional transaction costs to be between $29.0 and $31.0 million up to closing of the transaction with Aurora.

Sales and Marketing Expense

Sales and marketing expense consists of expenditures on advertising, promotion, sales and customer service. For the three months ended January 31, 2018, sales and marketing expense was $1.0 million (Q1 2017 - $0.9 million). This variance is attributable to increased sales staff and higher expenditures on advertising materials.

Freight and Distribution

Freight and distribution expense consists of expenditures on the shipping of product to customers. For the three months ended January 31, 2018, freight and distribution expense was $0.4 million (Q1 2017 – $0.3 million). These expenditures vary in relation to sales levels (Q1 2018 – 455 kg equivalent of sales volume; Q1 2017 – 341 kg equivalent sales volume).

Research and Development

Research and development work is directed primarily towards plant-based materials for pharmaceutical, agricultural and environmental applications. Research and development costs for the three months ended January 31, 2018 were similar to those of the comparative period in 2017 (Q1 2018 - $0.4 million; Q1 2017 - $0.3 million).

(Gain) Loss on Derivative Instruments

For the three months ended January 31, 2018, gain on derivative instruments of $23.6 million related primarily to the increased value attributed to the conversion feature on the Newstrike convertible debenture held by the Company and the warrants associated with this convertible debenture. On January 24, 2018, this debenture was converted into 10,958,904 shares of Newstrike.

During the first quarter of 2017, the $2.4 million loss on derivative instruments was attributable to the increased value attributed to the embedded derivative liability relating to a conversion to equity option contained within the Company's convertible debentures; this derivative loss was partly offset by derivatives gains of $0.1 million relating to the Company's interest rate swaps. The majority of the Company's convertible debentures were converted during the first quarter of 2017 and, for the remainder of the debentures, the option to convert into equity of CanniMed expired at the end of the first quarter of 2017.

Mark to Market Loss on Marketable Securities

As noted above, on January 24, 2018, the Company converted its Newstrike debenture into 10,958,904 shares of Newstrike. For the period ended January 31, 2018, the mark to market loss on the Newstrike shares was $2.2 million (Q1 2017 - $nil), attributable to a decrease in the market value of those shares. The Company disposed of all of its shares in Newstrike during the second quarter of 2018.

Depreciation and Amortization

Depreciation and amortization of $0.2 million for three months ended January 31, 2018 was comparable period over period (Q1 2017 - $0.2 million).

Share-based Compensation

The Company has established a stock option plan under which common share purchase options may be granted to directors, officers and key employees. For the three months ended January 31, 2018, Share-based

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compensation expense of $0.4 million was comparable period over period (Q1 2017 - $0.4 million). During the first quarter of 2018, in conjunction with the proposed acquisition of CanniMed by Aurora, CanniMed's Board of Directors approved the acceleration of vesting of all unvested stock options, making them fully exercisable by the holders. At the date of this MD&A, a total of 10,000 stock options remain outstanding.

Other Income

Other income was relatively unchanged period over period.

Interest Income

For the three months ended January 31, 2018, Interest income of $0.2 million (Q1 2017 - $nil), was attributable to interest earned from cash held on deposit and to interest earned on the Company's convertible debenture receivable.

Finance Costs

Finance costs include bank charges, credit card charges and interest expense. For the three months ended January 31, 2018, Finance costs of $0.3 million were half of the reported costs of $0.6 million for the comparable period of 2017. This decrease is attributable to reduced interest expense due to a $5.7 million decrease in loans and borrowings period over period, offset by slightly higher credit card charges.

Deferred Income Tax (Expense) Recovery

For the three months ended January 31, 2018, Deferred income tax expense was $2.9 million (Q1 2017 – Deferred income recovery of $0.1 million). This variance is attributable to the tax effect of the increased fair market value of the Company's investment in Newstrike compared to its cost.

Earnings (loss)

For the three months ended January 31, 2018, the Company recorded net earnings of $5.3 million, or $0.22 per share, including a derivative gain of $23.6 million and a mark to market loss on marketable securities of $2.2 million. This compares to a net loss of $4.0 million, or $0.23 per share, for the period ended January 31, 2017. This increase was largely attributable to a $26.0 million increase in the gain on derivative assets offset by a $2.2 million mark to market loss on marketable securities and by increases in general and administrative expenditures, transaction costs, sales and marketing expenditures and freight and distribution costs (discussed above) as the Company increased its focus on merger and acquisition activity and increased its capability to support growing sales levels.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At January 31, 2018, cash and cash equivalents were $42.3 million (October 31, 2017 - $48.4 million). At January 31, 2018, working capital was $67.4 million (October 31, 2017 – $54.2 million). Cash on hand and operating cash flows are expected to be sufficient to support ongoing corporate requirements.

Three months ended January 31,		**2018**		2017
Cash flows from (used in):				
Operating activities before working capital changes	**$**	**(15,825)**	$	(2,322)
Changes in non-cash working capital		**9,943**		2,562
Operations	**$**	**(5,882)**	$	240
Investing activities		**(1,715)**		(438)
Financing activities		**1,540**		60,627
(Decrease) increase in cash		**(6,057)**		60,429
Cash, beginning of year	**$**	**48,378**	$	2,002
Cash and cash equivalents, end of period	**$**	**42,321**	$	62,431

(in thousands of CDN dollars, except as otherwise noted) Page 10

Operating Activities

Operating cash flow, equity financings and debt financings have been the Company's primary source of liquidity. During the first quarter of 2018, the Company's cash flows used in operations before changes in non-cash working capital were $15.8 million (Q1 2017 - $2.3 million used in operations before changes in non-cash working capital). Higher sales quantities resulted in a 132% increase in total gross margin during the first quarter of 2018. After adjusting for derivative gains and losses for the first quarter of 2018 and 2017, respectively, expenses increased by $14.4 million (with $13.1 million of that figure attributable to non-recurring transaction costs associated with the Company's merger and acquisition activity). Changes in non-cash working capital provided $9.9 million during the first quarter of 2018 (Q1 2017 –$2.6 million). From time to time, the Company enhances its liquidity and supplements operating cash flow through a combination of equity issuances and debt financing. The principal use of operating cash flow is to fund the Company's operating and capital expenditures at its production facilities; general and administrative costs; and debt service payments.

Investing Activities

Net cash used in investing activities during the first quarter of 2018 was $1.7 million (Q1 2017 - $0.4 million). Expenditures included $1.8 million of additions to property, plant and equipment (Q1 2017 - $0.3 million), and investment in deferred development of $0.1 million (Q1 2017 - $0.1 million).

Financing Activities

Cash of $1.5 million was provided by the Company's financing activities during the first quarter of 2018 (Q1 2017 - $60.6 million). Proceeds from the issuance of common shares of $3.3 million due to the exercise of stock options and warrants, was offset by $1.5 million of debt repayment and $0.3 million of interest costs (Q1 2017 – Net initial public offering proceeds of $63.2 million, after issue costs, were offset by $1.9 million of debt repayment and $0.6 million of interest costs).

Liquidity

The Company has sufficient cash on hand to meet its current financial obligations as they come due. Liquidity is primarily influenced by the operational performance of its production facilities, the level of spending on research, development and capital programs, the ability to obtain external sources of financing, and results of sales.

The Company monitors its liquidity on a continuous basis to ensure there is sufficient capital to meet business requirements and to provide adequate returns to shareholders and benefits to other stakeholders. The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may, where necessary, control the amount of working capital, pursue financing and manage the timing of its capital and research and development expenditures.

The Company's capital structure consists of a combination of debt and shareholders' equity.

Schedule of Capital Structure of the Company		**January 31, 2018**		October 31, 2017
Debt	**$**	**12,288**	$	13,724
Shareholders' equity	**$**	**98,178**	$	89,174
Debt to equity		**0.13**		0.15

(in thousands of CDN dollars, except as otherwise noted) Page 11

Financial and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, convertible debenture receivable, accounts payable and accrued liabilities and debentures payable. The Company's Management does not believe that the Company is exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term nature. Management does not believe that the Company is exposed to significant interest, currency or credit risk arising from these financial instruments.

The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates. The Company has entered into interest rate swaps to fix its exposure to variable interest rates on approximately one half of its long-term debt. The Company enters into derivative contracts to fix its risk associated with interest rates and commodity transactions. The notional and fair values of the following derivatives contracts were included in the statement of financial position in liabilities.

		January 31, 2018			October 31, 2017		
Interest rate swaps	**Average fixed rate**	**Notional Value**	**Derivative instrument liabilities**	**Sum of derivative instrument liabilities and notional value**	Notional Value	Derivative instrument liabilities	Sum of derivative instrument liabilities and notional value
	2.88%	**$8,013**	**$86**	**$8,099**	$8,135	$154	$8,289

Key Sensitivities

Earnings from the Company's consolidated operations are sensitive to fluctuations in both commodity and currency prices. Currency risk arises as a result of the Company's investment in its U.S. subsidiary SubTerra. Management believes this risk is reduced by the fact that these subsidiaries operate in an economically stable foreign country and Results of SubTerra's operations are not material. The Company's exposure to foreign currency changes is considered to be not material.

Contractual Obligations

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable and the raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital, cash flows and the issuance of share capital. The Company has access to lines of credit with available borrowings of $1.5 million at January 31, 2018 and at January 31, 2018 it had cash and cash equivalents totaling $42.3 million. During the three months ended January 31, 2018, the Company repaid $1.5 million of other debentures, loans and borrowings (Q1 2017 - $1.9 million).

STATEMENTS OF FINANCIAL POSITION

Highlights

Select Statements of Financial Position Data				
As at		**January 31, 2018**		October 31, 2017
Total assets	**$**	**124,254**	$	106,154
Current liabilities	**$**	**13,408**	$	5,757
Non-current liabilities	**$**	**12,668**	$	11,223
Total liabilities	**$**	**26,076**	$	16,980

Assets

CanniMed's asset base primarily consists of Cash and cash equivalents, Accounts receivable, Marketable securities, Derivative assets, Inventories, Property, plant and equipment and Intangible assets consisting of deferred development costs, deferred patent costs and other intangible assets. Total assets increased by $18.1 million during the first quarter of 2018 primarily attributable to mark to market gains of $23.6 million on the Company's Derivative assets and interest rate swaps, offset by a $2.2 million mark to market loss on the Company's Marketable securities.

Liabilities

Current liabilities were $13.4 million at January 31, 2018, an increase of $7.7 million from October 31, 2017. The increase was largely attributable to increased expenditures relating to merger and acquisition activity and to further ramp up of capital projects.

Non-current liabilities were $12.7 million at January 31, 2018, an increase of $1.4 million from October 31, 2017. This variance is attributable to a $2.9 million increase in deferred income tax liabilities, related to the increase in market value of the Company's shares in Newstrike, offset by repayment of $1.5 million of debentures and other loans and borrowings.

Shareholders' Equity

Shareholders' equity increased by $9.0 million to $98.2 million at January 31, 2018, from $89.2 million at October 31, 2017. This variance is mainly attributable to an increase in Share capital of $6.3 million due to the exercise of 1,619,927 stock options and the exercise of 171,801 warrants, partially offset by a related reduction in Share-based compensation reserves. Shareholders' equity was also increased by net earnings of $5.3 million for the three months ended January 31, 2018 (which included a $23.6 million gain on derivative instruments, offset by a $2.2 million mark to market loss on marketable securities).

SELECTED QUARTERLY FINANCIAL AND PRODUCTION DATA

	Jan 31 2018	Oct 31 2017 [4]	Jul 31 2017 [4]	Apr 30 2017 [4]	Jan 31 2017 [4]	Oct 31 2016 [4]	Jul 31 2016 [4]	Apr 30 2016 [4]
Revenue (Bio-Pharmaceutical Products)	**$4,818**	$4,818	$4,770	$3,688	$3,411	$3,162	$2,650	$2,220
Revenue (Power Utility) [1]	**-**	-	-	-	-	$2,152	$2,386	$2,527
Revenue	**$4,818**	$4,818	$4,770	$3,688	$3,411	$5,314	$5,036	$4,747
Cost of sales, net of the unrealized gain on changes in fair value of biological assets	**$590**	$144	$2,578	$1,224	$1,585	$494	$538	$173
Earnings (loss) from continuing operations [2]	**$5,293**	$897	$(1,807)	$(1,107)	$(3,880)	$(8,626)	$(472)	($280)
Earnings (loss) [1] [2]	**$5,293**	$897	$(1,807)	$(1,107)	$(3,880)	$(21,873)	$(413)	$(307)
Earnings (loss) per share, continuing operations [2]	**$0.22**	$0.04	$(0.08)	$(0.05)	$(0.23)	$(2.35)	$(0.13)	$(0.02)
Earnings (loss) per share (basic) [1] [2]	**$0.22**	$0.04	$(0.08)	$(0.05)	$(0.23)	$(5.97)	$(0.11)	$(0.02)
Earnings (loss) per share (diluted) [1] [2]	**$0.22**	$0.04	$(0.08)	$(0.05)	$(0.23)	$(5.97)	$(0.11)	$(0.02)
Weighted average shares outstanding (000s, basic) [3]	**24,109**	22,960	22,741	22,557	16,909	14,664	14,664	14,664
Weighted average shares outstanding (000s, diluted) [3]	**24,533**	22,960	22,741	22,557	16,909	14,664	14,664	14,664
Total dried marijuana equivalent sold (000s grams)	**455**	471	463	373	341	289	255	217

	Jan 31 2018	Oct 31 2017 [4]	Jul 31 2017 [4]	Apr 30 2017 [4]	Jan 31 2017 [4]	Oct 31 2016 [4]	Jul 31 2016 [4]	Apr 30 2016 [4]
Revenue per gram of dried marijuana equivalent	**$10.56**	$10.16	$9.89	$9.80	$9.71	$10.12	$9.85	$9.57
Dried marijuana sold (000s grams)	**252**	269	277	248	237	209	195	177
Revenue per gram	**$7.71**	$7.15	$7.04	$7.59	$8.00	$8.37	$8.32	$8.29
Oils sold (000s ml)	**1,221**	1,212	1,114	754	626	482	361	239
Revenue per ml	**$2.35**	$2.36	$2.36	$2.36	$2.27	$2.45	$2.46	$2.54
Revenue gram equivalent	**$14.08**	$14.17	$14.16	$14.16	$13.62	$14.70	$14.76	$15.24

[1] Effective October 31, 2016, the Company completed a reorganization whereby the shares of a former subsidiary, PPS USA Holdings, Inc. were distributed to shareholders. As such, there are no results of operations for this entity subsequent to October 31, 2016, as PM Power is not part of the continuing operations of CanniMed.
[2] Net earnings (loss) per share for each quarter has been calculated based on the weighted average number of shares outstanding for the quarter. As such, quarterly amounts may not add to the annual total.
[3] Share data for the 2016 reflects the impact of an exchange of PPS common shares for CanniMed common shares which occurred on a 4:1 basis and took place on November 1, 2016.
[4] Cost of sales and resulting earnings information for historical quarters, with the exception of those from fiscal 2016, have been restated. Please see Note 2 to the Company's January 31, 2018 Financials Statements.

Trends

- Improving medical marijuana production (2.4 million gram equivalents produced over the last four quarters and 4.1 million gram equivalents of production over the last eight quarters).
- Acquisition of more patients has enabled the Company to increase its production capacity and realize further efficiencies.
- Sales growth in the Company's oils product line.
- Increasing potential for pharmacy distribution internationally and potentially in Canada.

ACCOUNTING ESTIMATES

Certain of the Company's accounting policies require that Management make decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. CanniMed's significant accounting policies are contained in Note 4 to the consolidated financial statements.

Changes in Accounting Policies

For information on new standards and interpretations adopted during the year, refer to Note 5 of the Financial Statements.

New Standards and Interpretations Not Yet Adopted

For information on new standards and interpretations not yet adopted, refer to Note 5 of the Financial Statements.

Estimates and Judgements

For information on significant areas requiring us to make estimates and judgements, refer to Note 6 of the Financial Statements.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties related to economic and industry factors are described in detail in the Company's Annual MD&A, available at www.sedar.com, and remain substantially unchanged.

COMMON SHARE DATA

The authorized share capital of CanniMed consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. At January 31, 2018, there were 24,756,655 common shares of CanniMed issued and outstanding (October 31, 2017 – 22,964,927 common shares).

During the first quarter of 2018, the Company issued 1,619,927 common shares upon the exercise of stock options and 171,801 common shares upon the exercise of warrants.

During the first quarter of 2017, the Company issued: 14,670,780 common shares as consideration for the sale by former shareholders of PPS of all of their shares of PPS to CanniMed; 5,000,000 common shares pursuant to its initial public offering; 750,000 common shares pursuant to an over-allotment option on the initial public offering; 2,057,060 common shares pursuant to the conversion of convertible debentures into equity of the Company; and 9,092 common shares upon the exercise of warrants.

At March 16, 2018, there were 25,249,022 common shares of the Company issued and outstanding.

STOCK OPTIONS AND WARRANTS

For further discussion of the Company's share-based payments, please refer to the Company's January 31, 2018 condensed consolidated interim Financial Statements and notes thereto (unaudited), available at www.sedar.com.

Stock Options

At January 31, 2018, there were 0.5 million CanniMed common share stock options outstanding with exercise prices ranging from $1.6825 to $9.64 per common share. This compares to 2.2 million common share stock options outstanding at October 31, 2017 ranging from $0.6825 to $9.64 per common share. During the first quarter of 2018, in conjunction with the proposed acquisition of CanniMed by Aurora, CanniMed's Board of Directors approved a resolution that accelerated the vesting of all unvested stock options, making them fully exercisable by the holders. At March 16, 2018, a total of 10,000 stock options remain outstanding.

Warrants

At January 31, 2017, there were 2,727 PPS common share purchase warrants outstanding, which were exercisable until December 15, 2018 for the purchase of 10,908 common shares of CanniMed at a price of $5.50 per share of CanniMed (October 31, 2017 – 43,632 PPS common share purchase warrants outstanding for the purchase of 174,528 common shares of CanniMed). Subsequent to January 31, 2018, all remaining warrants were exercised into common shares of CanniMed.

NON-IFRS FINANCIAL PERFORMANCE MEASURES AND RECONCILIATIONS

The Company utilizes non-IFRS financial measures as supplemental indicators of operating performance and financial position. These non-IFRS financial measures are used internally by the Company for comparing actual results from one period to another. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, such information is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA

The Company uses EBITDA and Adjusted EBITDA as a supplemental financial measure of its operational performance. Management believes EBITDA to be an important measure of its capacity to generate cash flow from operations as it excludes the effects of items which primarily reflect the impact of long-term investment and decisions and finance strategies, rather than the performance of the Company's day-to-day operations. The Company measures EBITDA as net earnings (loss) plus income taxes expense (recovery), interest expense and depreciation and amortization. Adjusted EBITDA removes non-recurring expenditures (including transaction costs due to merger and acquisition activity, impairment charges and write-off of assets) and non-cash expenses such as loss on derivative instruments, share-based compensation and non-cash expenses within cost of sales. Also removed are

The Company believes that these measurements are useful in measuring the Company's ability to service debt, meet other payment obligations and in comparing the Company's financial performance from period to period. Furthermore, Management believes that certain investors and other stakeholders use this information to evaluate the Company's performance. The following table provides a reconciliation of the Company's calculation of EBITDA and Adjusted EBITDA:

Calculation of EBITDA, and Adjusted EBITDA, from Continuing Operations				
Three months ended January 31,		**2018**		2017
Net earnings (loss)	**$**	**5,293**	$	(3,880)
Deferred income tax expense (recovery)		**2,886**		(143)
Current income tax		**20**		-
Finance costs		**322**		620
Depreciation and amortization		**239**		235
EBITDA from continuing operations	**$**	**8,760**	$	(3,168)
Transaction costs		**13,088**		-
Share-based compensation		**394**		398
(Gain) loss on derivative instruments		**(23,604)**		2,444
Mark to market loss on marketable securities		**2,191**		-
Unrealized gain from changes in fair value of biological assets		**(3,722)**		(2,324)
Non-cash amounts within cost of sales				
Realized gain from changes in fair value of biological assets		**2,594**		2,201
Depreciation included in production costs		**332**		436
Adjusted EBITDA from continuing operations	**$**	**33**	$	(13)

OTHER FINANCIAL MEASURES AND RECONCILIATIONS

Dried Marijuana Equivalent Sold

The Company currently has sales of both herbal and oil products. Management measures the quantity of its marijuana sales on a dried marijuana equivalent basis. Cannabis oils are sold in 60 ml bottles, each of which is considered to have the equivalence of approximately 10 grams of dried cannabis. The following table provides a reconciliation of the Company's calculation of dried marijuana equivalent sold:

Three months ended January 31,	**2018**	**2017**
Dried marijuana sold (000s grams)	**252**	237
Oils sold (000s ml)	**1,221**	626
Oils sold (000s grams equivalent)	**203**	104
Total dried marijuana equivalent sold (000s grams)	**455**	341

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"). ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's Management, including the President and Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

The Company's internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's Management is responsible for establishing and maintaining adequate ICFR for the Company. Management, including the CEO and CFO, does not expect that the Company's ICFR will prevent or detect all errors and all fraud or will be effective under all future conditions. A control system is subject to inherent limitations and even those systems determined to be effective can provide only reasonable, but not absolute, assurance that the control objectives will be met with respect to financial statement preparation and presentation.

CSA National Instrument 52-109 requires the Chief Executive Officer and Chief Financial Officer to certify that they are responsible for establishing and maintaining ICFR for the Company and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Based on Management's evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's internal controls over financial reporting were not effective as of January 31, 2018 as a result of a material weakness in the Company's internal control over financial reporting, as further described below.

Notwithstanding this material weakness, the Company has concluded that the financial statements included in this report fairly present in all material respects its financial position, results of operations, capital position, and cash flows for the periods presented, in accordance with IFRS.

A material weakness, as defined in National Instrument 52-109 of the Canadian Securities Administrators, is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The Company's Management, under the supervision and with the participation of its Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the Company´s internal control over financial reporting as of January 31, 2018, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated

Framework (2013 (the "COSO 2013 Framework")). Based on the evaluation performed, Management concluded that a material weakness existed as of January 31, 2018, as described below.

Material Weakness Relating to Reliance on End User Computing ("EUC") for Complex Accounting as of January 31, 2018.

The material weakness in reliance on EUC (spreadsheets) contributed to the following material weakness:

Reliance on End User Computing - Corporate-wide EUC spreadsheets used in financial reporting have not been inventoried. Risks exist that these spreadsheets are inadequately secured and retained. In addition, the accounting complexities encountered in the financial reporting relies on equally complex spreadsheets. Spreadsheets are inherently prone to error due to their manual nature. The Company´s controls related to spreadsheets did not address all risks associated with updating assumptions, manual entry into spreadsheets, completeness of data entry, nor evidence of review of completed spreadsheets.

Because of the above described material weakness in internal control over financial reporting, Management concluded that the Company's internal control over financial reporting was not effective as of January 31, 2018. Accordingly, a reasonable possibility exists that material misstatements in the Company's financial statements will not be prevented or detected on a timely basis.

Remediation Plan and Activities

Management has commenced remediation of this material weakness and its remediation plan includes the following actions:

1. Additional resources have been added to support external financial reporting and new review procedures have been introduced or are in the process of being introduced. Management has tested these controls as at the date hereof and considers the remediation to be ongoing; and

2. Completing an inventory listing of EUC spreadsheets in use and adopting a platform for storage of EUC spreadsheets.

3. Establishing controls within key spreadsheets.

No assurance can be provided at this time that the actions and remediation efforts will effectively remediate the material weakness described above or prevent the incidence of other material weaknesses in the Company's internal control over financial reporting in the future. Management, including the Chairman and Chief Executive Officer and Chief Financial Officer, does not expect that disclosure controls and procedures or internal control over financial reporting will prevent all errors, even as the remediation measures are implemented and further improved to address the material weakness. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

Other than the remediation efforts discussed above and the implementation of the company's ICFR, there have been no changes in the Company's ICFR during the period ended January 31, 2018 that have materially affected, or are likely to materially affect, the Company's ICFR. Senior Management has discussed these issues and remediation efforts with the Audit Committee, and the Board will continue to review progress on these remediation activities on a regular and ongoing basis.

NOTES TO READER

Caution Regarding Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A constitute "forward-looking information" and "forward-looking statements" within the meaning of

applicable Canadian and United States securities legislation (referred to herein as "forward-looking statements"). Forward-looking statements include, but are not limited to, statements with respect to the future market conditions, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of facility construction projects, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of biopharmaceutical and power generation operations, environmental risks, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results, "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

All forward-looking statements are based on various assumptions, including, without limitation, the expectations and beliefs of management, the assumed price of the Company's products, that the Company will receive required permits and access to markets, that the Company can access financing, appropriate equipment and sufficient labour, and that the political environment within Canada will continue to support the medical marijuana industry in Canada.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of CanniMed to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: actual results of research and development activities; production facility development and operating risks; accidents, labour issues and other risks of the pharmaceutical industry; delays in obtaining government approvals or financing or in the completion of development or construction activities; and other risks and uncertainties, including but not limited to those discussed in the section entitled "Business Risk" in this document. These risks and uncertainties are not, and should not be construed as being, exhaustive.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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.

Forward-looking statements in this MD&A are made as of the date of this MD&A and, accordingly, are subject to change after such date. Except as otherwise indicated by CanniMed, these statements do not reflect the potential impact of any non-recurring or other special items that may occur after the date hereof. Forward-looking statements are provided to give information to readers about Management's current expectations and plans and to allow investors and others to get a better understanding of our operating environment.

Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, you should not place undue reliance on forward-looking information. We do not assume any obligation to update or revise any forward-looking information after the date of this MD&A or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.