National Access Cannabis Corp.
Interim Management Discussion and Analysis
Quarterly Highlights
For the three-month period ended November 30, 2017

The following discussion of National Access Cannabis Corp.'s (the "**Company**") financial condition and results of operations should be read in conjunction with the unaudited condensed interim consolidated financial statements and accompanying notes for the three-month period ended November 30, 2017 and the audited consolidated financial statements for the year ended August 31, 2017 and the related annual management discussion and analysis. The accompanying unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts referred to in this interim management discussion and analysis – quarterly highlights ("**MD&A**") are in Canadian dollars. This MD&A, as well as, financial statements and other information, including news releases and other disclosure items of the Company are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Company's profile. The board of directors of the Company approved the content of this MD&A on January 22, 2018.

Cautionary Note Regarding Forward-Looking Statements

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, future developments, including the acquisition of additional locations throughout Canada; future financial performance, including the sufficiency of cash on hand, the ability of the Company to generate positive cash flow, the ability of the Company to meet its obligations as they become due, future sources of revenue and future increases in Company revenue, ongoing business strategies, goals, objectives or prospects, including the exploration of other business opportunities in the cannabis industry and the Company's plan to explore partnerships that improve its brand and profitability, expected operations and possible future action on the Company's part. 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", "proposed" "budget", "scheduled", "estimates ", "forecasts ", "intends ", "anticipates" or "does not anticipate", or "believes'; or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

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 the Company to be materially different from those expressed or implied by such forward-looking statements. Such factors and uncertainties include, but are not limited to: general business, economic, competitive, political and social uncertainties, legislative changes occurring at the Federal, Provincial and Municipal levels, the results of continued development, marketing and sales and such other factors as set forth in "Risk Factors" in the Company's annual management discussion and analysis for the year ended August 31, 2017 (available on SEDAR at www.sedar.com), as well as, those factors disclosed in the Company's publicly filed documents. Although management of the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and 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. The Company's forward-looking statements are made only as of the date of this MD&A and the Company does not undertake to update or revise any forward-looking statements to *reflect new information or future events or circumstances, unless specifically required by applicable securities legislation.*

Overview of the Company

The Company was incorporated under the *Business Corporations Act* (Alberta) as Brassneck Capital Corp. ("**Brassneck**") on June 18, 2015 and its common shares began trading on the TSX Venture Exchange ("**TSXV**") on March 15, 2016. The registered and records office of the Company is located at 1900, 520 – 3rd Avenue SW, Calgary, Alberta, T2P 0R3. The head office of the Company is located at 1111 Wellington Street West, Ottawa, Ontario, K1Y 2Y6. Prior to August 30, 2017, the Company was a Capital Pool Company as defined in the TSXV Policy 2.4. Effective August 30, 2017, Brassneck completed its "Qualifying Transaction" with National Access Cannabis Corp. (pre-Qualifying Transaction, referred to herein as "**NAC**"). The Qualifying Transaction was a reverse takeover of Brassneck by NAC. Following completion of the Qualifying Transaction, control of the Company, as resulting issuer, passed to the former securityholders of NAC and the Company (formerly Brassneck) ceased to be a Capital Pool Company. Effective August 30, 2017, Brassneck changed its name to "National Access Cannabis Corp." On September 8, 2017, the common shares of the Company, as the resulting issuer, resumed trading on the TSXV under the new trading symbol "NAC".

The consolidated financial statements of the combined entities (i.e. Brassneck and NAC) are issued under the Company (presently National Access Cannabis Corp. and formerly Brassneck), as legal parent, but are considered a continuation of the financial statements of the legal subsidiary, National Access Clinic Corp. Since National Access Clinic Corp. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

Analysis of the Company's Financial Performance and Condition

Selected Quarterly Financial Information

The following table sets out certain selected financial information of the Company's consolidated financial statements for the last eight quarters:

	Quarter Ended							
	Feb 28, 2016	May 31, 2016	Aug 31, 2016	Nov 30, 2016	Feb 28, 2017	May 31, 2017	Aug 31, 2017	Nov 30, 2017
Revenue	57,399	99,846	128,345	179,350	248,412	363,581	401,630	437,352
Net Loss	(185,449)	(339,850)	(532,447)	(607,943)	(809,717)	(1,615,884)	(4,691,375)	(1,344,068)
Net Loss Per Share - Basic	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)	(0.07)	(0.01)
Net Loss Per Share - Diluted	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)	(0.07)	(0.01)

The Company has incurred losses over the last eight quarters and anticipates continued losses as it implements initiatives to continue growing its business. The Company has added an additional eight locations over the past fiscal year and now operates in ten locations as at November 30, 2017. Revenue has increased due to an increase in patients as a result of serving more locations across Canada.

The increase in losses has been primarily attributed to continued expansion of the Company's operations over the fiscal year ended August 31, 2017 and three months ending November 30, 2017. In addition, significant expenditures were incurred in connection with the Qualifying Transaction and for share-based compensation payment for key management personnel during the past four quarters.

Results of Operations

$	For the three months ended	
	30-Nov-17	**30-Nov-16**
Total revenue	$437,352	$179,350
Cost of goods sold	(176,416)	(73,437)
Gross margin	260,936	105,913
Office and general administrative expenses	(1,387,099)	(455,718)
Sales and marketing expenses	(36,135)	(34,245)
Amortization	(89,409)	(70,269)
Share based compensation	(92,362)	(153,623)
Loss from operations	(1,344,068)	(607,943)
Net comprehensive loss	(1,344,068)	(607,943)
Loss per share - basic and diluted	(0.01)	(0.01)
Deficit, at end of period	(10,907,561)	(2,446,515)

The net comprehensive loss for the three months ended November 30, 2017 was $1,344,068 or $0.01 per share versus a net comprehensive loss of $607,943 or $0.01 per share for the quarter ended November 30, 2016. The increase in loss for the quarter was primarily attributable to expenditures incurred for the continued expansion of the Company's operations.

Some of the significant changes are as follows:

- Salaries and benefits during the three months ended November 30, 2017 were $508,756 compared to the three months ended November 30, 2016 of $167,704. The significant increase from the previous year has been due to the expansion of operations. The Company had 42 full-time equivalent ("**FTE's**") and ten locations in operation versus as of November 30, 2017 and 15 FTE's and four locations in operation as of November 30, 2016.

- Professional fees and Consulting fees during the three months ended November 30, 2017 were $560,458 compared to the months ended November 30, 2016 of $50,071. As a result of expansion initiatives, the Company incurred significantly higher legal and consultant fees.

The Company has incurred losses in recent periods and anticipates continued losses as it implements initiatives to continue growing its business. However, the Company is a relatively new organization and has been expanding rapidly. As such, losses incurred to date are primarily due to growing the business and associated infrastructure, and management believes will ultimately serve to benefit the Company and its business going forward.

The Company remains focused on client acquisition and will continue with aggressive expansion efforts in pursuit of this goal. The Company plans to expand its operations to all economically viable locations in Canada. Planned expansion strategies include; developing additional corporate locations, seeking acquisition opportunities and providing additional services and activities surrounding the cannabis industry. The Company is currently planning the development of additional locations with partners in strategic regions and provinces throughout Canada. The Company intends to establish partnerships in areas where local and regional participation will provide mutually advantageous benefits that the Company would have difficulty achieving on its own. The Company will continue to explore partnerships that improve its brand and profitability. Future activities will require funding through additional equity financings, loans, or through the development of business partnerships.

Revenue

Revenue for the three months ended November 30, 2017 was $437,352 versus $179,350 in the same period in the prior year. Revenue growth is attributable to newly opened locations in fiscal year 2017, increased commissions from holders of licenses ("**Licensed Producers**") issued under section 35 of the *Access to Cannabis for Medical Purposes Regulations*, SOR/2016-230 and the activities of four locations which the Company operates through Wilson Master Apps Inc., a wholly owned subsidiary of the Company acquired in December 2016. Total membership has increased from 1,918 at November 30, 2016 to 10,883 at November 30, 2017. Revenues are expected to continue to increase as the Company acquires new patients at each of its ten active locations and continues to explore other business opportunities moving forward.

The Company previously earned a portion of its revenue from membership and consultation fees charged to patients at some clinic locations. During the fourth quarter of fiscal year 2017, the Company made the decision not to charge for these services. Going forward, management anticipates that the primary revenue streams for clinic operations will consist of commissions from Licensed Producers and retail sales.

Gross Profit

Gross Profit for the three months ended November 30, 2017 was $260,936 versus $105,913 in the same period in the prior year. The increase is primarily attributed to the increase in commissions revenue from Licensed Producers in 2017 which have no direct costs associated with this income source.

Expenses

Office, General and Administrative Expenses

	For the three months ended			
$	**30-Nov-17**	**%**	**30-Nov-16**	**%**
Professional fees	186,118	13%	28,941	6%
Consulting fees	374,340	27%	21,130	5%
Management fees	13,940	1%	68,595	15%
Salaries & benefits	508,756	37%	167,704	37%
Travel	83,019	6%	26,742	6%
Rent & utilities	136,987	10%	93,597	21%
Office expenses	44,112	3%	38,749	9%
Interest & bank charges	4,628	0%	3,599	1%
Other	35,199	3%	6,662	1%
Total	$1,387,099	100%	$ 455,718	100%

In the three months ended November 30, 2017, the Company incurred expenses of $1,387,099 versus $455,718 in the three months ended November 30, 2016.

The increase from comparable periods is due to the continued growth in corporate locations, hiring of additional managerial and administrative staff, and the development of stated business objectives. The Company anticipates that expenses will continue to increase as operations expand to new locations and as the Company acquires and integrates compatible businesses and technologies, while continuing to explore other business opportunities moving forward.

Legal and professional fees during the three months ended November 30, 2017 were $186,118 compared to the three months ended November 30, 2016 of $28,941. These fees were incurred due to legal and audit work required for general corporate matters, government, and investor relations due to Company expansion.

Consulting fees during the three months ended November 30, 2017 were $374,340 compared to the three months ended November 30, 2016 of $21,130. These fees were incurred due to patient acquisition costs, lobbying efforts at the Federal, Provincial, and Municipal levels, as well as, other costs associated with the expansion of new corporate locations

Management fees during the three months ended November 30, 2017 were $13,940 compared to the three months ended November 30, 2016 of $68,595. Management fees decreased due to the expiration of certain consultant agreements.

Salaries and benefits during the three months ended November 30, 2017 were $508,756 compared to the three months ended November 30, 2016 of $167,704. The notable increase is due to hiring of staff to support the Company's expanding network of locations and additions to the executive management team. The Company employed 42 FTEs as of November 30, 2017 versus 15 FTEs as of November 30, 2016.

Travel expenses during the three months ended November 30, 2017 were $83,019 compared to the three months ended November 30, 2016 of $26,742. Travel expenses also grew as management continued to seek potential business acquisitions and expansion opportunities.

Rent and utilities during the three and twelve months ended November 30, 2017 were $136,987 compared to the three months ended November 30, 2016 of $93,597. Lease payments have increased due to the addition of six new locations over the past year.

Share-Based Compensation Expenses

During the three months ended November 30, 2017, the Company recognized $92,362 compared to $153,623 for the three months ended November 30, 2016 in share-based compensation.

Share-based compensation was provided to executives, consultants, directors, and employees through the direct issuance of shares for services rendered or via the granting of stock options.

For the three months ended November 30, 2017 there were no common shares of the Company issued. During the three months ended November 30, 2016, a total of 925,814 common shares of NAC ("**NAC Shares**") were issued directly to executives, consultants, directors, and employees, for which total expenses recognized for such issuances was $66,466.

Expenses related to options issued during the three months ended November 30, 2017 were $92,362 compared to $87,157 during the comparable period in 2016. The number of options outstanding at November 30, 2017 amounts to 8,542,112 at a weighted average exercise price of $0.17. The Company may issue up to 10% of the issued and outstanding common shares under its stock option plan.

Adjusted EBITDA

$	**Three Months Ended**	
	30-Nov-17	**30-Nov-16**
Net loss and comprehensive loss for the year/period	(1,344,068)	(607,943)
Amortization of property and equipment	89,409	56,254
Amortization of intangible assets	-	14,015
Share based compensation	92,362	153,623
Adjusted EBITDA	(1,162,297)	(384,051)

Adjusted EBITDA is a financial metric used by management of the Company in assessing the Company's operational performance on a cash basis before the impact of non-cash items and acquisition related activities. Adjusted EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the issuer's GAAP and therefore may not be comparable to similar measures presented by other issuers.

Balance Sheet

$	As at		
	30-Nov-17	31-Aug-17	30-Nov-16
Total assets	5,912,463	7,670,846	2,426,860
Total liabilities	714,415	1,346,315	824,464
Share capital	15,436,254	15,311,030	2,233,854
Warrants	160,937	160,937	1,695,526
Contributed surplus	508,419	416,057	119,531
Deficit, at end of period	(10,907,561)	(9,563,493)	(2,446,515)

Total Assets

Total assets of the Company were $5,912,463 on November 30, 2017 versus $7,670,846 on August 31, 2017. The decrease in total assets is primarily due to a reduction in cash due to the continued expansion of the Company's operations over the past three months ended November 30, 2017.

Total Liabilities

Total liabilities decreased to $714,415 at November 30, 2017 versus $1,346,315 on August 31, 2017 due to decreases in accounts payable and notes payable.

On November 29, 2016, NAC borrowed $300,000 from an unsecured lender at an interest rate on the principal at 5% per month for five months, and at an interest rate of 2.5% per month thereafter. The lender has agreed to receive payment of the interest in the equivalent amount of NAC Shares for interest earned up to June 29, 2017. At June 29, 2017, $90,000 of interest was paid to the lender in NAC Shares based on a NAC Share market price of $0.25 per share. The principal of $300,000 and balance of interest of $15,000 owing to the lender was subsequently paid in cash on September 5, 2017.

Share Capital

The authorized capital stock of the Company consists of an unlimited number of common shares. Below are the number of issued and outstanding common shares, warrant and options at November 30, 2017 and August 31, 2017.

	As at		
	30-Nov-17	31-Aug-17	30-Nov-16
Common shares	116,915,804	115,974,163	52,884,684
Warrants	815,301	1,440,050	11,454,698
Options	8,542,112	8,269,004	4,775,000

During the month of three months ended 2017, shareholders of the Company exercised 771,450 warrants and 316,892 options through a number of individual transactions. The Company received $181,894 in cash.

On October 17, 2017, the Company granted 590,000 stock options to non-executive employees and consultants of the Company. 480,000 of the options were issued at $0.25 and 110,000 were issued at $0.16. All options vested immediately and expire on October 17, 2022.

Liquidity and Capital Resources

The unaudited condensed interim consolidated financial statements for the three months ended November 30, 2017 are prepared by management in accordance with IFRS on a going concern basis, which assumes that the Company will be able to continue to operate for the foreseeable future. However, the Company is exposed in varying degrees to a variety of financial risks, including liquidity risk and market risks with respect to its ability to raise capital through equity markets under acceptable terms and conditions. For further discussion of risks related to the Company's business, including financial risks, please see "Risk Factors" in the Company's annual management discussion and analysis for the year ended August 31, 2017 (available on SEDAR at www.sedar.com). Please also refer to Note 18 of the accompanying unaudited condensed interim consolidated financial statements for the three months ended November 30, 2017.

The Company has incurred losses since incorporation and as at November 30, 2017 had an accumulated deficit of $10,907,561 (November 30, 2016: $2,446,515). The Company has a commitment for capital expenditures totaling $172,349. The Company signed a stipulated price contract for tenant improvements at a new clinic located on Whyte Avenue in Edmonton set to open in January 2018, through a partnership in which the company has an indirect 51% interest (see "Commitments" below). Current capital reserves will fund this capital expenditure commitment.

The Company is in the development stage of expanding by opening and acquiring locations throughout Canada while continuing to explore other business opportunities within the cannabis industry. The Company continues to remain dependent on its ability to obtain sufficient funding to sustain operations and continue with its current expansion projects. While the Company has been successful in raising financing in the past, there can be no assurance that it will be able to do so in the future. Several alternatives are being evaluated with the objective of funding ongoing activities and obtaining additional working capital.

The Company has sufficient cash on hand to continue day to day operations up to the third quarter of fiscal year 2018. The Company also expects to have a working capital deficiency then, but plans to generate sufficient amounts of cash and cash equivalents in the short and long term to maintain the Company's capacity and meet obligations as they become due, by reviewing all options including partnership agreements, debt, and equity financing. The Company expects to select whichever funding options are available and are in the best interest of the shareholders.

In the longer term, the Company's ability to maintain capacity and continue as a going concern is dependent upon its ability to raise additional capital and generate positive cash flow and net income. There can be no assurance that equity financings will be available to the Company in the future on terms satisfactory to the Company. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions and its ability to expand operations within the cannabis industry in Canada.

Financing Activities

For the three months ended November 30, 2017, the Company allocated $189,775 in cash to financing activities versus generating $980,000 for the three months ending November 30, 2016. The cash generated for the three months ended November 30, 2016 includes net equity raised through the issuance of share capital and special warrants of $1,033,279.

Investing Activities

For the three months ended November 30, 2017, the Company allocated $32,848 in cash to investing activities versus $515,120 for the three months ended November 30, 2016. Investment expenditures in the prior period were primarily for leasehold improvements, as well as furniture and equipment required for the new corporate locations which commenced operations in fiscal year 2017.

Working Capital

The Company had a working capital surplus of $2,931,143 on November 30, 2017 versus a deficiency of $223,515 as at November 30, 2016. Expenditures incurred for the rapid expansion of the Company over the last twelve months and costs associated with the Qualifying Transaction have been offset by cash inflows from financing activities throughout the year.

Current assets increased to $3,635,103 at November 30, 2017 from $586,023 at November 30, 2016 primarily as a result of an increase in cash and receivables.

Current liabilities decreased to $703,960 at November 30, 2017 from $ 809,537 at November 30, 2016. The decrease in current liabilities is primarily due to the payment of a $300,000 note payable in September 2017.

Cash Used in Operations

$	**30-Nov-17**	**30-Nov-16**
Net loss for period	(1,344,068)	(607,943)
Add charges to operations not requiring current cash payment	180,829	222,894
Changes in non-cash working capital balances related to operations	(582,391)	191,951
Cash used in operating activities	(1,745,630)	(193,098)

Cash used in operating activities amounted to $1,745,630 for three months ended November 30, 2017 compared to $193,098 for the same period in 2016.

Changes in non-cash working capital balances related to operations were $582,391 for the three months ended November 30, 2017, compared to a surplus of $191,951 for the three months ended November 30, 2016, primarily due to the change in accounts receivable and accounts payable.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements as of the date of this MD&A.

Significant Transactions between Related Parties

Related parties include the Company’s key management personnel, independent directors and shareholders. Transactions with related parties were conducted in the normal course of operations and are measured at fair value, which is the amount of consideration established and approved by the related parties.

Members of the Board of Directors and executive management team of the Company received compensation for consulting services and salaries. During the three months ended November 30, 2017, the Company's expenses included $231,209 (2016 - $191,123) for consulting fees and salaries.

During the year three months ended November 30, 2017, rent in the amount $11,250 (2016 - $10,500) was paid to an immediate family of a shareholder of the Company.

Financial Instruments

IFRS requires that the Company disclose information about the fair value of our financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company’s financial instruments consist of cash, accounts receivable, accounts payable, short-term loans and accrued liabilities, and other payables due to directors. Management estimates that the fair value of these financial instruments approximates their carrying values due to the relatively short maturity periods of these instruments.

Changes in Accounting Policies and Critical Accounting Estimates

The significant accounting policies applied in preparation of the unaudited condensed interim consolidated financial statements for the three months ended November 30, 2017 are consistent with those applied and disclosed in Note 2 of the Company’s 2017 audited consolidated financial statements. Critical accounting estimates remain the same as disclosed in the audited consolidated financial statements for the year ended August 31, 2017.

Commitments

In November 2017, National Access Cannabis LP Holdings Corp., a wholly-owned subsidiary of the Company, entered into a limited partnership agreement with NAC Alberta Inc. The Company, through its affiliates, holds 51% of the outstanding units of that partnership. The business of the partnership is to open, own and operate medical clinics that aim to connect Canadians with Licensed Producers and, when and if legally permissible to do so, retail locations to sell and distribute cannabis and cannabis related products. It is expected that the partnership will initially operate at Whyte Avenue in Edmonton, Alberta, where the Company has entered into a lease agreement.

Major Operating Milestones

On November 6, 2017, Dr. Tyler Wish joined the Company to establish and lead its research and development division. In this executive role, Dr. Wish will be responsible for furthering the Company's efforts to advance knowledge of medicinal cannabis as a pharmaceutical product and to enhance its efficacy and safety across multiple patient populations.

Subsequent Events

On December 6, 2017, the Company expanded into Australia through a licensing agreement with The Hydroponics Company (THC.AX) ("**THC**"), a public company listed on the Australian Stock Exchange. The Company deferred its $500,000 licensing fee until THC reaches $1,000,000 in revenue or the two-year anniversary, whichever comes first. The licensing agreement sees the Company earning a royalty of 7.5% of gross revenue.

On December 15, 2017 the Company entered into Limited Partnership Agreements with three Manitoba Indigenous First Nations. Under the terms of the Agreements, each of the Opaskwayak Cree Nation, Long Plain First Nation, and Peguis First Nation have partnered with the Company to establish a retail recreational cannabis distribution network in Manitoba, when and if legally permissible to do so. Each of the three First Nations, intends to build out and operate a network of recreational cannabis stores located on the respective First Nation's owned land in Manitoba.

On December 21, 2017 the Company entered into a Limited Partnership Agreement with the Nisichawayasihk Cree Nation. Under the terms of the Agreement, the Nisichawayasihk Cree Nation have agreed to partner with the Company to establish a retail recreational cannabis store on First Nation land located in Thompson, Manitoba, when and if legally permissible to do so.

On December 22, 2017 the Company entered into a Limited Partnership Agreement with the Brokenhead Ojibway Nation of Manitoba. Under the terms of the Agreement, the Brokenhead Ojibway Nation have agreed to partner with the Company to establish a retail recreational cannabis store on First Nation land located northeast of Winnipeg, Manitoba, when and if legally permissible to do so. This brings the total number of First Nations partnerships that the Company has announced as of January 22, 2018 in Manitoba to five. The proposed retail cannabis locations throughout the province will all be constructed on First Nation land, staffed by its members and trained using the Company's proprietary model to ensure safe and secure distribution of legal cannabis.

Subsequent to the end of the period, shareholders of the Company exercised 190,315 warrants and 1,150,000 options through a number of individual transactions. The Company received $282,521 in cash.

Known Trends, Risks or Demands

The Company is exposed to numerous risks and uncertainties. For more information on risk factors associated with the Company's business, see "Risk Factors" in the Company's annual Management Discussion and Analysis for the year ended August 31, 2017 (available on SEDAR at www.sedar.com). Risks and uncertainties have not materially changed for the three-month period ended November 30, 2017.

The risks and uncertainties described in the Company's annual management discussion and analysis for the year ended August 31, 2017 are not the only risks the Company could face, but could materially and adversely affect business, financial condition, results of operations and future prospects of the Company. Additional risks and uncertainties that the Company's management is unaware of, or that management currently view as not material, may also become important factors that could adversely affect the Company's business. The Company operates in a new and highly competitive industry that faces significant regulation. The cannabis industry in Canada is very competitive and developing rapidly. As new risks emerge, management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements.