AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ended March 31, 2015

AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)

Management's Discussion & Analysis
For the three and nine months ended March 31, 2015

Aurora Cannabis Inc. (formerly Prescient Mining Corp. ("Prescient")) (the "Company" or "Aurora") was incorporated under the provisions of the *Business Corporations Act* (British Columbia). The Company is listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "ACB".

Below are the addresses of the Company:

Head office and corporate:	Suite 610 – 700 West Pender Street, Vancouver, British Columbia V6C 1G8.
Registered office:	Suite 400 - 570 Granville Street, Vancouver, British Columbia V6C 3P1
Operations:	14613 - 134 Avenue, Edmonton, Alberta T5L 4S9
Production facility:	4439 TWP Road 304, Cremona, Alberta T0M 0R0

This Management's Discussion and Analysis ("MD&A") reports on the operating results and financial condition of the Company for the three and nine months ended March 31, 2015 and is prepared as of June 1, 2015. The MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2015 ("Interim Financial Statements").

The MD&A and Interim Financial Statements have been prepared in accordance with International Accounting Standards 34, "*Interim Financial Reporting*" ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS").

The accompanying Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, Aurora Marijuana Inc., Aurora Cannabis Enterprises Inc., 1769474 Alberta Ltd. and Australis Capital Inc. All significant intercompany balances and transactions were eliminated on consolidation.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company's continuous disclosure documents including the Company' Listing Statement with respect to the acquisition of Aurora Marijuana Inc. dated December 9, 2014, are available on SEDAR at www.sedar.com and CSE website at www.cnsx.ca.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this MD&A and Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its projections or estimates about its future business operations, its planned expansion activities, the adequacy of its financial resources, future economic performance and the Company's ability to become a leader in the field of medical marijuana. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates",

"forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section "Risk Factors" as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com and CSE website at www.cnsx.ca. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

BUSINESS OVERVIEW

Aurora Cannabis Enterprises Inc. ("ACE"), a wholly-owned subsidiary of the Company, is an Alberta company and a licensed producer of medical marijuana under the *Marihuana for Medical Purposes Regulations* ("MMPR") issued pursuant to the *Controlled Drugs and Substances Act* (Canada). ACE received its license to produce from Health Canada on February 19, 2015. It is the first company to obtain such a license in Alberta.

As of this date, the Company completed the construction of its brand new purposeful-built, state-of-the-art, expandable 55,200 square foot production facility ("Facility"), hired and assembled a team of professionals and commenced its medical marijuana business operations. The Facility is an office and plant production building of pharmaceutical production grade quality with hydroponic greenhouse high pressure sodium lighting and nutrient delivery equipment which is capable of growing up to 8,000 kilograms of medical marijuana per year. It is located off Highway #22 and situated on approximately 154 acres of land in Mountain View County near Cremona, Alberta. It is nestled in the foothills of the Rocky Mountains which allows for a never-ending supply of clean, pure, mountain-fed water, an ideal location for security, tax benefits, shipping, farm credit eligibility and product growth.

The Facility costs approximately $9.47 million as of March 31, 2015. MNP LLP conducted a valuation of the Company's Facility in accordance with Canadian Uniform Standards of Professional Appraisal Practice propagated by the Appraisal Institute of Canada and determined that as at March 1, 2015, the fair market value of the Facility, which includes the land that has yet to be acquired, building, site improvements, fixture and equipment, to be between $11.6 million to $12.6 million.

The Company's current focus is to accelerate its business growth and expansion plans including developing exclusive partnerships with North American cannabis companies, acquiring distressed facilities that failed to obtain licenses, creating alliances throughout the cannabis with space doctors,

scientists, pharmacies, retail, etc., acquiring dispensary process and production licenses in the U.S. and pursuing import and export contracts under the MMPR.

OPERATIONS UPDATE

Agreement with CanGenX BioTech Inc.

On February 10, 2015, ACE signed a Letter of Intent with CanGenX BioTech Inc. ("CanGenX") to establish an in-house plant tissue culture ("PTC") program. On May 12, 2015, ACE formalized the agreement to undertake PTC as the Company's basis of production with Dr. Geoff White, CEO and founder of CanGenX.

Dr. White has over 10 years of hands on experience in the agri-tech industry along with over a decade of experience in the field of molecular biology and PTC, including research into hemp production. Dr. White's educational accomplishments include two Bachelor of Science degrees comprised of a major in Biology and a minor in Chemistry and a degree in Agriculture with honours in Plant Science. CanGenX works in a newly built, state-of-the-art laboratory located in Penticton, British Columbia. The Company also appointed Dr. White as a key member of its Science advisory team.

PTC offers several distinct advantages over the traditional asexual propagation technique known as 'cloning'. With PTC, each plant is produced under completely sterile conditions ensuring all batches begin in a disease-free environment. These controlled conditions provide for massive scalability in predictable timeframes along with consistency, ensuring the integrity of future crops. In addition, unlike traditional cloning, PTC allows for faster propagation while utilizing fewer resources. This leads to greater production efficiencies and increased yields due to improved plant vigor and health. PTC melds well with pharmaceutical type production as it incorporates good manufacturing practices in every aspect of the process.

Appointment Dr. Jason Dyck, PhD, to the Board of Directors

On March 9, 2015, the Company appointed Dr. Jason Dyck, PhD, to its Board of Directors. Dr. Dyck is a distinguished research scientist in the Department of Pediatrics at the University of Alberta who specializes in the molecular biology of heart disease and metabolism. Dr. Dyck has over 160 peer-reviewed research publications and has a wealth of experience in establishing and directing large research programs. Dr. Dyck currently directs the University of Alberta Cardiovascular Research Centre and co-directs the pan-Alberta program known as Alberta HEART. Dr. Dyck's program and collaborative research is interdisciplinary, translational, and influential. This provides the strongest foundation for credible and useful research to reach key stakeholders and improve healthcare and health outcomes.

Dr. Dyck is Chair of a Heart and Stroke Foundation Scientific Review Committee and Chair of a Canadian Diabetes Association Scientific Review Committee. He sits on the Editorial boards of 4 major international journals, reviews manuscripts for over 10 top tier journals and reviews grants for the National Institute for Health, the Welcome Trust, the National Health and Medical Research Council of Australia and the Dutch Diabetes Research Foundation. His world leading research on resveratrol led to his appointment on the International Working Group for Recommendations for Use of Resveratrol. Dr. Dyck is also a board member of the premier international cardiovascular metabolism society, the Society for Heart and Vascular Metabolism.

Not only is Dr. Dyck an outstanding research scientist and a leader in his field but he also has extensive experience in drug discovery and commercialization. He co-founded a successful University of Alberta spin-off company which currently holds more than 100 patents, of which, Jason Dyck is an inventor, and he has numerous collaborations with large pharmaceutical companies.

Dr. Dyck has conducted comprehensive research into the beneficial health effects of the nutraceutical resveratrol (a bioactive compound found in plant-based food sources). This research represents a synergy which bridges the gap in the challenge of understanding plants-as-medicine, something currently lacking in the potential applications of medical cannabis.

Consulting Agreement with Electrum Partners, LLC

On March 16, 2015, the Company entered into a consulting agreement with Electrum Partners, LLC ("Electrum"), an advisory and consulting firm in Las Vegas, Nevada, specializing in the nascent medical marijuana industry in the United States.

Pursuant to the agreement, Electrum will provide a wide range of consulting and advisory services including, but not limited to, business services, strategic guidance and introductions, mergers and acquisitions, access to capital markets in the United States and other activities to further the business of Aurora. Electrum will also assist in obtaining medical marijuana licensing for the Company and expanding its business to states where cannabis is accepted federally and legal at the state level whether it be recreational or medicinal.

Establishment of Subsidiary

On March 25, 2015, the Company reported the establishment of its new subsidiary, Australis Capital Inc. ("ACI"), a company focused on opportunities in the United States with respect to production, processing, extracting of derivatives and sale of both medicinal and recreational cannabis. Electrum shall assist the Company in this process.

Subject to regulatory and shareholder approvals, the Company intends to spin out ACI under a Plan of Arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement"), pursuant to which 100% of the outstanding common shares of ACI will be distributed to the holders of common shares of Aurora on a pro-rata basis. The directors of the Company believe that the creation of two separate public companies, one focused in Canada and one focused in the U.S., will enhance their respective business operations and provide holders of Aurora securities with diversified investment

choices. The Company will be reporting the details of the Arrangement in due course. There can be no assurances or guarantees that the Arrangement will be completed as currently contemplated or at all.

$3.5 Million Bridge Loans

On April 10, 2015, the Company closed a $1 million secured bridge loan facility with an arm's length party and a $2.5 million unsecured term loan with companies controlled by Mr. Terry Booth, CEO, and Mr. Steve Dobler, President of the Company.

The bridge financings were obtained while the Company explores longer term financing options to support and expand the business. Jacob Securities Inc. ("JSI") has been engaged to explore these longer term solutions. JSI is a leading investment bank in the Cannabis space in North America and has completed over 15 transactions over the previous 12 months including work with multiple MMPR license holders.

Partnership Agreement with AJR Builders Group, LLC

On April 7, 2015, the Company's wholly-owned subsidiary, ACI entered into a Partnership Agreement with AJR Builders Group, LLC ("AJR") of Bellingham, Washington, to form a limited liability partnership named, Australis Holdings, LLP ("Australis LLP") to construct a new marijuana production and processing facility in the State of Washington.

Australis LLP acquired two (2) parcels of land totaling 24.5 acres for approximately US$2.3 million located in Whatcom County, Washington in an area designated as the Bakerview Business Borough to develop and construct a new marijuana production and processing facility (the "Washington Facility"). The Company will utilize the skills and experience of AJR in this project. AJR has experience and a proven track record in developing facilities ideal for growing marijuana. The business park is situated in an I-502 approved area for recreational and medical marijuana businesses. The partnership between ACI and AJR gives Australis LLP exclusive development rights to develop a marijuana production and processing facility.

Please see the Company's press release dated April 21, 2015 for a detailed description of the project.

Flowering of 2400 Medicinal Cannabis Plants Consisting of 7 Strains and Other Operational Updates

On April 28, 2015, the Company reported that 2400 clones of 7 different strains have been moved to the flowering stage. Commonly used names for the strains are Purple Kush, Agent Orange, Girl Scout Cookies, LSD, Strawberry Cough, AK47 and Exodus Cheese. Patients can be assured that the variety of strains will address a wide range of needs. More strains will be introduced as production ramps up. Aurora expects the first harvest to occur towards the end of June, 2015. Once in full production, the facility will be harvesting approximately 2500 plants every 7 days that will result in up to 100 kg of product per harvest.

Aurora's patient acquisition plan is in the process of being finalized and the Company is confident that it will establish a significant customer base for sales while ensuring that its patients are not compromised by product shortages. This is an exciting time for Aurora and its shareholders as Aurora will begin producing

a steady stream of revenue through the sales of its expertly cultivated and safe artisanal medical cannabis to customers across Canada.

Inspectors of Health Canada's Office of Controlled Substances have visited Aurora twice since the cultivation license was issued (March 25 and April 21) and were satisfied with the facility, procedures and the progress thus far. The successful outcome of these and previous inspections continues to demonstrate Aurora's commitment to operating successfully in this developing branch of the pharmaceutical industry. Further, in keeping to its vision of producing artisanal medical-grade cannabis, Aurora is proceeding forward with production under a unique advisory relationship designed to expand and augment each strain's unique medical potential. This relationship was recently secured via an audit performed in California by Aurora's quality control team.
Aurora entered into a contract with Ample Organics to obtain, utilize, and be supported by their advanced seed to sale enterprise resource planning (ERP) software platform for cultivation and sales of medical cannabis and medical cannabis related products. The software will enhance Aurora's recordkeeping, traceability and overall efficiency in all aspects of facility operations. The progressive software will also help ensure that Aurora is operating as a leader in this expanding industry with only the most innovative solutions and products being made available to its future patients.

Aurora also entered into a contract to engage the services of MMJ Hype, a division of Triforce Media Inc., a full service cannabis-marketing agency that is dedicated to providing Aurora with the highest quality search engine optimization (SEO), social media, marketing, reputation management and web analytics in the industry.

Aurora recently entered into 11 non-disclosure agreements including 4 in the United States to review in detail additional synergistic opportunities within the cannabis space.

Aurora participated in the recent Canadian Securities Exchange event hosted in Calgary. The "TakeStock! Alberta Spring Investor Forum" featured Aurora's CEO, Terry Booth, as a speaker.

Aurora is the gold sponsor of the upcoming Jacob Securities Inc. investment event. Jacob Securities is a Toronto based, independent full-service investment bank, providing underwriting and financial advisory services to companies in the power, infrastructure, technology, energy and mining sectors. The event has attracted investors from around the world. Leslie Bocskor of Electrum Partners and Terry Booth, CEO of Aurora, will be guest speakers at the event.

The Company's Washington Facility project has progressed with the signing of a Memorandum of Understanding with AJR. This signing is another step towards developing Australis LLP's plans in the creation of the best multifaceted project in Washington State that will exclusively cater to the recreational and medical cannabis industry.

Acquisition of Aurora Marijuana Inc.

On December 9, 2014, the Company completed the acquisition of Aurora Marijuana Inc. ("AMI") pursuant to a Share Exchange Agreement dated September 9, 2014, as amended by agreements on September 10, 2014 and October 30, 2014. Prescient acquired all of the issued and outstanding securities of AMI in consideration for securities of the Company (the "Transaction").

(a) Issuance of the following securities of the Company to AMI shareholders and warrant and option holders:

(i) 60,000,000 common shares of the Company;

(ii) An aggregate of 21,450,000 warrants ("RTO replacement warrants") as follows:

- 11,250,000 warrants at $0.02 per share expiring December 9, 2019; and
- 10,200,000 warrants at $0.50 per share expiring December 9, 2017.

(iii) 4,000,000 options ("RTO replacement options) at a price of $0.001 per share expiring December 1, 2019. These options vest as to 1,600,000 on December 21, 2014, 1,600,000 on June 21, 2015 and 800,000 on December 21, 2015.

(b) Issuance of the following performance shares and warrants:

(i) 20,000,000 common shares on completion of performance milestones; and

(ii) 3,750,000 warrants at $0.02 per share for a term of 5 years exercisable on completion of funding milestones. On April 21, 2015, these warrants were cancelled as the funding milestone was not met.

The Transaction constituted a reverse takeover of Prescient by AMI.

Please see note 3 to the Company's unaudited condensed interim consolidated financial statements for the nine months ended March 31, 2015, for a detailed description of the Transaction.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Reliance on License

The ability of the Company to successfully grow, store and sell medical marijuana in Canada is dependent on Aurora's production license from Health Canada (the "License"). The license is subject to ongoing compliance and reporting requirements. Failure to comply with the requirements and terms of the License or any failure to maintain the License or any failure to renew the License after its expiry date, would have a material adverse impact on the business, financial condition and operating results of the Company. Although the Company believes that it will meet the requirements of the MMPR for future extensions or renewals of the License, there can be no assurance that Health Canada will extend or renew the License or, if extended or renewed, that it will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the License or should they renew the license on different terms, the business, financial condition and operating results of the Company would be materially adversely affected.

Regulatory Risks

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

Change in Laws, Regulations and Guidelines

The Company's business will be subject to particular laws, regulations, and guidelines. The production and distribution of medical marijuana is a highly regulated field, and although the Company intends to comply with all laws and regulations, there is no guarantee that the governing laws and regulations will not change which will be outside of the Company's control. On March 21, 2014, the Federal Court of Canada issued an order allowing certain individuals to continue under their MMAR licenses, thereby affecting the repeal of the MMAR. As of the date of this MD&A the Government of Canada has decided to appeal the order; however, it is unclear what a final ruling on this issue may be, and how it may affect the Company's business. It is possible that a ruling in favour of the original order could allow persons who had a license under the MMAR to opt out of the new MMPR regime, thereby decreasing the size of the market for the Company's business, and potentially materially and adversely affecting the Company's business, its results of operations and financial condition.

Limited Operating History and No Assurance of Profitability

Aurora was incorporated in 2013 and as of this date, has entered the production stage but not the sales and distribution stage. The Company will be subject to all of the business risks and uncertainties associated with any earl-staged enterprise, including under capitalization and the risks that it will be unable to successfully produce medical marijuana, or establish a market for its products and services, achieve its growth objectives, and/or ultimately become profitable. There can be no assurance that consumer demand for the products will be as anticipated, or that the Company will become profitable.

Unfavourable Publicity or Consumer Perception

The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

Competition

Although the market for the Company's product does appear to be sizeable and Health Canada has only issued a limited number of licenses under the MMPR to produce and sell medical marijuana, the Company expects significant competition from other companies due to the recent nature of the MMPR regime. A large number of companies, possibly more than 800, appear to be applying for production licenses, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships.

Should the size of the medical marijuana market increase as projected, the demand for product will increase as well, and in order for the Company to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If the Company is not successful in achieving sufficient resources to invest in these areas, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial condition and operations.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop the Company business and manage its operations, and on the Company ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Conflicts of Interest

Certain of the Company directors and officers are also directors and operators in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

In addition, the directors and the officers are required to act honestly and in good faith with a view to its

best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Agricultural Operations

Since the Company's business will revolve mainly around the growth of medical marijuana, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Company expects to grow its product in a climate controlled, monitored, indoor location, there is not guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Company's ability to produce medical marijuana.

Transportation Disruptions

As a business revolving mainly around the growth of an agricultural product, the ability to obtain speedy, cost-effective and efficient transport services will be essential to the prolonged operations of the Company's business. Should such transportation become unavailable for prolonged periods of time, there may be a material adverse effect on the Company's business, financial situation, and operations.

Fluctuating Prices of Raw Materials

The Company revenues, if any, are expected to be in large part derived from the production, sale and distribution of marijuana. The price of production, sale and distribution of marijuana will fluctuate widely due to the how young the marijuana industry is and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of product produced by the Company and, therefore, the economic viability of any of the Company's business, cannot accurately be predicted.

Environmental and Employee Health and Safety Regulations

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

of the Company.

Intellectual Property

The success of the Company's business depends in part on its ability to protect its ideas and technology. Aurora has no patented technology or trademarked business methods at this time nor has it applied to register any patents. AMI has applied to register the trademark "Aurora" and the application has proceeded to advertisement. AMI hopes to receive an approval notice from the Canadian Intellectual Property Office shortly.

Even if the Company moves to protect its technology with trademarks, patents, copyrights or by other means, Aurora is not assured that competitors will not develop similar technology, business methods or that Aurora will be able to exercise its legal rights. Other countries may not protect intellectual property rights to the same standards as does Canada. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources such that said actions have a meaningfully impact our ability to successfully grow our business.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Liquidity and Future Financing

The Company is in the development and early operations stage and has not generated any revenues. The Company will likely operate at a loss until its business becomes established and therefore may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Company's management. If additional financing is raised by issuing Company shares, control may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its business plan or cease operating.

Speculative Nature of Investment

An investment in the Company common shares carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has no history of earnings, limited cash reserves, a

limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is in the development and planning phases of its business and has not started commercialization of its products and services. The Company's operations are not yet sufficiently established such that the Company can mitigate the risks associated with the Company planned activities.

Market Risk for Securities

The market price for the common shares of the Company could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Global Economy Risk

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares on the CSE.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

Share Price Volatility

The Company's shares are listed for trading on the CSE. As such, external factors outside of the Company's control such as actual or anticipated fluctuations of quarterly operating results, changes in the economic performance or market valuations of companies in the industry in which the Company operates and sentiments toward the medical marijuana sector stocks may have a significant impact on the market price of the Company's shares.

Global stock markets, including the CSE, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in

impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the common shares may be materially adversely affected.

Significant Ownership Interest of Management and Directors

The Company's management, directors, co-founders and employees own a substantial number of the outstanding common shares (on a fully diluted basis). As a group, these individuals could exercise substantial control or influence over matters requiring shareholder approval, such as election of directors, approval of transactions, determination of significant corporate actions and changes to share structure. In addition, these shareholders could delay or prevent a change in control of the Company that could otherwise be beneficial to the Company's shareholders. Until further rounds of financing are completed, other shareholders may be limited in their ability to exercise control over important corporate decisions.

Costs of Being a Publicly-Traded Company

As the Company has publicly-traded securities, the Company will incur significant legal, accounting and filing fees. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material compliance costs.

RESULTS OF OPERATIONS

Nine months ended March 31, 2015 as compared to the period from September 11, 2013 (date of incorporation) to June 30, 2014

During the nine months ended March 31, 2015, the Company reported a net loss of $38,766,535 as compared to a net loss of $1,823,535 during the year ended June 30, 2014. The increase in net loss of $36,943,000 for the nine months ended March 31, 2015 mainly resulted from the Company's RTO listing expense of $33,939,196. In addition, there were increases in depreciation of $397,920, general and administration of $790,118, sales and marketing expense of $340,747 and share-base payments of $2,437,118.

Revenues for the period of $18,500 relate to the sale of hay which was cultivated on the unused portion of the leased land.

General and administration ("G&A") expenses were $1,086,498 for the nine months ended March 31, 2015 compared to $296,380 for the period from September 11, 2013 (date of incorporation) to June 30, 2014. The increase was primarily attributable to hiring of additional management and staff for operations, additional support required to sustain the growing requirements of the Company and its subsidiaries and increased corporate activities as the Company went public.

Sales and marketing expenses amounted to $804,196 for the nine months ended March 31, 2015 compared to $463,449 for the period from September 11, 2013 (date of incorporation) to June 30, 2014.

The increase was a result of hiring of sales and marketing personnel, marketing costs related to the building of the Company's brand and other marketing programs and initiatives.

Depreciation of property, plant and equipment increased to $397,920 for the nine months ended March 31, 2015 from $Nil for the period from September 11, 2013 (date of incorporation) to June 30, 2014. The property, plant and equipment only became available for use during the second quarter as the Company commenced its operations.

Finance and other costs were $120,107 for the nine months ended March 31, 2015 compared to $Nil for the period from September 11, 2013 (date of incorporation) to June 30, 2014. The amount relates to interests on new loans as well as interest accretion on convertible loans. The outstanding loans in the prior period bore no interests.

During the nine months ended March 31, 2015, the Company recorded share-based payments of $2,437,118 for stock options granted and vested during the period. Of this amount, $2,227,382 relates to the RTO replacement options. During the period from September 11, 2013 (date of incorporation) to June 30, 2014, the Company recorded share-based payments of $42,550 for warrants issued for consulting services.

During the nine months ended March 31, 2015, the Company completed the reverse takeover of AMI and recorded a RTO listing expense of $33,939,196. This amount reflected the estimated fair value of the consideration paid of $35,700,400 for the acquisition (being 42,000,471 common shares of Prescient at $0.85 per share) less the net assets of Prescient of $4,425,090 plus other transaction costs incurred in the RTO which consisted of 3,000,000 common shares for finders' fees at a value of $2,550,000 and aggregate legal and audit fees of $113,886. During the period from September 11, 2013 (date of incorporation) to June 30, 2014, the Company recorded compensation expense of $1,021,156 related to the acquisition of ACE (formerly 1755517 Alberta Ltd.).

LIQUIDITY AND CAPITAL RESOURCES

As of this date, the Company has not started generating revenues from operations and has financed its operations and met its capital requirements primarily through the issuance of capital stock by way of private placements, convertible loans and third party and related party loans.

The Company's objectives when managing its liquidity and capital resources are to generate sufficient cash to fund the Company's operating and working capital requirements. The Company reported working capital deficit of $4,103,246 at March 31, 2015 as compared to working capital deficit of $2,471,362 at June 30, 2014, representing a decrease in working capital by $1,631,884.

Net cash and cash equivalents on hand decreased by $773,702 from $916,767 as at June 30, 2014 to $143,065 as at March 31, 2015. The decrease in cash was mainly attributable to cash used for operating activities of $1,723,024, cash outflows for investing activities of $5,632,039 offset by cash inflows from financing activities of $6,581,361.

Operating Activities

For the nine months ended March 31, 2015, cash flow used for operating activities was $1,723,024 compared to $965,106 for the year ended June 30, 2014. The increase in cash flow used for operating activities of $757,918 was primarily due to increases in general and administration expenditures and sales and marketing.

Investing Activities

For the nine months ended March 31, 2015, the Company had net cash outflows relating to investing activities of $5,632,039 as compared to $2,421,522 for the year ended June 30, 2014. Investing activities during the current period included $5,372,530 invested in the building and $257,823 invested in equipment.

Subsequent to March 31, 2015, the Company through its 50% subsidiary, Australis LLP, purchased two parcels of land totaling 24.5 acres in Washington for approximately US$2,300,000. See "*Subsequent Events*".

Financing Activities

Net cash flows provided by financing activities for the nine months ended March 31, 2015 were $6,581,361 compared to $4,303,395 for period from September 11, 2013 (date of incorporation) to June 30, 2014. During the nine months ended March 31, 2015, the Company raised net cash of $3,661,468 from private placement financings, $1,667,363 from loans with a company controlled by directors and officers of the Company and $1,250,000 from convertible loans.

Subsequent to March 31, 2015, the Company raised $1,000,000 by way of a secured loan from an arm's length party, $29,417 from exercise of options, $24,300 from exercise of warrants, $45,000 from the exercise of RTO replacement warrants and an aggregate of $587,202 from loans from related parties.

As of the date of this MD&A, financing for the Company's operations is also potentially available through the exercise of share purchase warrants, RTO replacement warrants and vested stock options (See "*Summary of Outstanding Share Data*"). However, there can be no assurance that any of these outstanding convertible securities will be exercised, particularly if the trading price of the common shares on the Exchange does not exceed, by an material amount and for a reasonable period, the exercise price of such convertible securities at some time prior to their expiry dates.

The Company needs to raise additional capital to fund its operations and development and expansion plans for the next twelve months. Although the Company has previously been successful in raising the funds required for its operations, there can be no assurance that the Company will have sufficient financing to meet its capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Liquidity and Capital Resource Measures

The Company's major capital expenditures in 2015 will relate to the purchase of additional Facility equipment that will increase the Company's production efficiencies.

The Company's primary source of liquidity has been from equity finances, convertible loans and third party and related party loans.

Loans and Credit Facilities

1. Convertible loans:

   (a) $1,500,000 unsecured, non-interest bearing convertible loans, convertible at a price of $0.125 per share and maturing five years from the date of issuance; and

   (b) $1,250,000 secured convertible loans, at an interest rate of 8% per annum, convertible at $1.01 per share and maturing one year from the date of issuance.

2. A term loan with a balance of $413,415 which bears interest at 8% per annum, maturing June 27, 2015.

3. Advances payable of 2,513,088 which are unsecured, non-interest bearing and have no fixed terms of repayment. Of these advances, $2,500,000 were converted into term loans subsequent to March 31, 2015 (See item (b) of *Subsequent Events*).

Subsequent to March 31, 2015, the Company secured the following loans:

1. $1,000,000 secured loan facility (See item (a) of *Subsequent Events*);

2. $2,500,000 term loans (See item (b) of *Subsequent Events*);

3. USD$1,000,000 secured loan (See item (d) of *Subsequent Events*);

4. Advances payable of $132,202 (See item (h) of *Subsequent Events*); and

5. $455,000 term loans (See item (i) of *Subsequent Events*).

Other Contractual Obligations

As of March 31, 2015, the Company had the following commitments:

Contractual Obligation	Total	1-3 years	After 3 years
	$	$	$
Operating lease [(1)]	277,500	180,000	97,500
Office lease [(2)]	280,667	126,761	153,906

(1) The Company's subsidiary entered into an operating lease on lands located in Calgary, Alberta (the "Lands") for monthly rent payments of $5,000. The lease expires on November 14, 2019, with an option to extend for an additional five year term. The Company has the option to purchase the lands during the additional five year term.

(2) The Company is committed to future minimum annual lease payments with respect to its office premises located in Vancouver, British Columbia, expiring January 31, 2020.

SUBSEQUENT EVENTS

The following events occurred subsequent to March 31, 2015:

(a) The Company obtained a $1,000,000 secured loan from an arm's length party at a rate of 19.8% per annum, maturing nine months from the date of the promissory note. Interest is payable monthly and the principal amount is due at the end of the term. The loan is secured by the assets of the Company and its subsidiaries pursuant to general security agreements, a leasehold mortgage on land leased by the Company's subsidiary, and corporate guarantees by the Company's subsidiaries. The Company paid a facility fee of 4% of the principal amount of the loan.

(b) The Company entered into loan agreements with companies controlled by the CEO and the President of the Company dated April 1, 2015, to convert $2,500,000 of the advances from a related party. The loans are unsecured, bear interest at 8% per annum and mature on October 1, 2015.

(c) ACI entered into a Memorandum of Understanding with AJR dated April 7, 2015 to form Australis LLP, a Washington Limited Liability Partnership. ACI and AJR are each 50% owners of Australis LLP. The Company loaned approximately $1,644,831 to ACI to fund Australis LLP's capital investments. The loan bears interest at a rate of 5% per annum maturing on October 31, 2017 and is secured by a general security agreement granting the Company security over all present and after acquired property of ACI and ACI's loan to Australis LLP is secured by a first mortgage on one parcel of the property and a second mortgage on the other title, as well as a general security agreement granting ACI security over all present and after acquired property of Australis LLP.

(d) Australis LLP purchased two parcels of land totaling 24.5 acres (the "Property") in Whatcom county, Washington for approximately USD$2,300,000 to construct a new marijuana production and processing facility. The vendor of the Property granted a USD$1,000,000 loan under a promissory note to Australis LLP towards the purchase of the Property. The loan bears interest at a rate of 5% per annum, payable monthly, and matures on October 31, 2017. In the event of a default on interest payments and other terms, at the option of the lender, the full amount of the loan shall be immediately due and payable and interest will be charged at 12% per annum. The loan is secured by a first mortgage on one of the 2 parcels of land that make up the Property.

(e) An aggregate of 588,334 common shares were issued on the exercise of 588,334 options for gross proceeds of $29,417. Non-cash compensation charges of $17,209 were reclassified from reserves to share capital on the exercise of these options.

(f) An aggregate of 243,000 common shares were issued on the exercise of 243,000 warrants for gross proceeds of $24,300. Non-cash compensation charges of $23,782 were reclassified from reserves to share capital on the exercise of these warrants.

(g) 2,250,000 common shares were issued on the exercise of 2,250,000 RTO replacement warrants at $0.02 per share for gross proceeds of $45,000. Non-cash compensation charges of $1,810,188 were reclassified from reserves to share capital on the exercise of these RTO replacement warrants. Of the 2,250,000 common shares issued, 2,025,000 common shares were deposited in escrow.

(h) The Company received an aggregate of $496,553 from a company controlled by the CEO and the President of the Company, of which, $132,202 were recorded in advances payable and $364,351 in accounts payable. The amounts are unsecured, non-interest bearing and has no fixed terms of repayment.

(i) In May 2015, one of the holders of the $1,500,000 convertible loans with a conversion rate at $0.125 per share ("Notes"), assigned $175,000 of the Notes (the "Assigned Note") to arm's length parties. Subsequent to March 31, 2015, the Company issued 1,400,000 common shares on the conversion of the Assigned Note.

(j) The Company received aggregate loans of $455,000 from the CEO and a company controlled by the CEO of the Company. The loans are unsecured and mature on the latter of: (i) the Company reporting two consecutive profitable quarters; and (ii) August 1, 2016. The loans bear no interest until the Company reports a cash flow positive quarter and interest will be charged at 4% per annum thereafter.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company had no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

TRANSACTION WITH RELATED PARTIES

The Company has entered into certain transactions with related parties during the three and nine months ended March 31, 2015. A description of the related party transactions is as follows:

Name and Relationship to Company	Transaction	Nine months ended March 31, 2015	For the period from September 11, 2013 (date of incorporation) to June 30, 2014
		$	$
W.L. Macdonald Law Corporation, a company controlled by an officer of the Company	RTO listing expense and legal fees	69,675	-
Superior Safety Code, a company owned by the CEO and the President of the Company	Office, rent and administration	130,657	267,804
	Property, plant and equipment	195,141	341,299
Avarone Metals Inc., a company with a common director	Office, rent and administration	56,600	-

Included in prepaid expenses is a rent deposit of $1,500 (June 30, 2014 - $nil) paid to a company having a director in common.

Included in accounts payable and accrued liabilities was $29,955 (June 30, 2014 - $16,667) payable to companies controlled by directors and officers of the Company.

Included in accounts payable and accrued liabilities was $26,187 (June 30, 2014 - $nil) payable to a director of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements include the following:

- Valuation of the purchase price of Prescient Mining Corp.
- Valuation of the purchase price of ACE (formerly 1755517 Alberta Ltd.)
- Fair value measurements for RTO replacement warrants, RTO replacement options and other share-based payments
- Capitalization of development costs of the property, plant and equipment

The presentation of the Company's consolidated financial statements requires judgments regarding the ability of the Company to continue as a going concern as described in Note 1 to its condensed interim consolidated financial statements for the nine months ended March 31, 2015.

NEW ACCOUNTING PRONOUNCEMENTS

Accounting Standards Issued and Adopted:

The adoption of the following standards and amendments effective January 1, 2015 had no impact on the Company's consolidated financial statements other than additional disclosure requirements:

IFRS 10 Consolidated Financial Statements

IFRS 10, *Consolidated Financial Statements,* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and replaces the consolidation requirements in SIC 12, *Consolidation, Special Purpose Entities* and IAS 27, *Consolidated and Separate Financial Statements*. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes require management to exercise judgment to determine which entities are controlled and therefore, required to be consolidated.

IAS 32 Financial Instruments: Presentation

IAS 32, *Financial Instruments: Presentation* was amended relating to application guidance on the offsetting of financial assets and financial liabilities.

IAS 36 Impairment of assets

IASB 36, *Impairment of assets,* was amended to clarify the requirement to disclose information about the recoverable amount of assets for which an impairment loss has been recognized or reversed.

IFRIC 21 Levies

IASB issued IFRIC 21, *Levies*, which sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies the obligating event that gives rise to the recognition of a liability to pay a levy.

Accounting Standards Issued But Not Yet Adopted

IFRS 7 Financial instruments: Disclosure

IFRS 7 *Financial instruments: Disclosure*, was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018.

IFRS 9 Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 10 Consolidated Financial Statements

IFRS 10, *Consolidated Financial Statements*, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and replaces the consolidation requirements in SIC 12, *Consolidation, Special Purpose Entities* and IAS 27, *Consolidated and Separate Financial Statements*. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes require management to exercise judgment to determine which entities are controlled and therefore, required to be consolidated. The amendments are effective for transactions occurring in annual periods beginning on or after January 1, 2016.

IFRS 15 Revenue from contracts with Customers

The IASB replaced IAS 18, *Revenue*, in its entirety with IFRS 15, *Revenue from contracts with Customers*. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on January 1, 2017.

IAS 16 Property, Plant and Equipment and IAS 41 Agriculture

IAS 16 and IAS 41 were amended to bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for as property, plant and equipment and allow entities to measure bearer plants at accumulated cost up until the point of production and subsequently apply either the cost model or revaluation model.

It introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce that is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

The scope sections of both standards are amended to clarify that biological assets except for bearer plants are accounted for under IAS 41 while bearer plants are accounted for under IAS 16. The amendments also clarify that produce growing on bearer plants continues to be accounted for under IAS 41.

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

IAS 34 Interim financial reporting: Disclosure

IAS 34, *Interim financial reporting: Disclosure*, was amended to require interim disclosures to either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report such as Management Discussion and Analysis. Other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.
The Company has not yet determined the effect, if any, of the above standards on the consolidated financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, subscription receivable, accounts payable and accrued liabilities, loan payable, convertible loans and advances from a related party. The carrying values of these financial instruments approximate their fair values because of their short term nature and/or the existence of market related interest rates on the instruments.

IFRS requires disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 – Inputs for the asset or liability that are not based on observable market data.

The Company has no financial instrument assets or liabilities recorded in the statements of financial position at fair value at March 31, 2015 and 2014 at fair value.

	Fair value as at March 31, 2015	Basis of measurement	Financial instruments
Financial Assets			
Cash and cash equivalents	$143,065	Carrying value	Loans and receivables
Financial Liabilities			
Accounts payable	$625,115	Carrying value	Other financial liabilities
Loans payable	$413,415	Carrying value	Other financial liabilities
Convertible loans [(1)]	$2,047,173	Fair value / Carrying value	Other financial liabilities
Advances from a related party	$2,513,088	Carrying value	Other financial liabilities

[(1)] The fair value of the convertible loan includes both the debt and equity components.

(b) Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank Guaranteed Investment Certificates ("GICs"), and interest receivable. Cash and cash equivalents consisting of GICs have been invested with Schedule 1 banks or equivalents, with its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. Management considers that risks related to credit are minimal.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. As at March 31, 2015, the Company had cash and cash equivalents of $143,065 and working capital deficiency of $4,103,246. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

The Company is dependent on the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financings to meet current and future obligations. There can be no assurance that such financing will be available on terms acceptable to the Company. See note 1 to the Company's interim consolidated financial statements for the nine months ended March 31, 2015.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loan payable and convertible loans have fixed rates of interest and these do not expose the Company to interest rates risk.

The Company invests cash in GICs with greater than 90 day terms but not greater than one year. These GICs have a fixed interest rate for the term of the deposit. The interest on cash and GICs is typical of Canadian banking rates, which are low at present and the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

SUMMARY OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had the following common shares and options outstanding:

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and fully paid

As at June 1, 2015, there were 110,522,138 common shares issued and outstanding.

(c) Warrants outstanding as at June 1, 2015:

Warrants	Exercise Price	Expiry Date
#	$	
9,000,000	0.02	December 9, 2019
280,000	0.10	June 27, 2016
391,000	0.10	July 15, 2016
10,200,000	0.50	December 9, 2017
250,000	1.01	September 18, 2015
20,121,000		

(d) Stock options and charitable options outstanding as at June 1, 2015:

Options	Exercise Price	Expiry Date	Exercisable
#	$		#
4,000,000	0.001	December 1, 2019	1,600,000
50,000	0.05	April 1, 2020	50,000
25,000	0.05	May 31, 2021	25,000
85,000	0.05	March 19, 2024	85,000
144,000[(1)]	0.15	October 29, 2017	144,000
150,000	0.34	May 23, 2020	-
300,000	0.39	March 16, 2020	50,000
350,000	0.40	March 10, 2019	-
200,000	0.42	January 19, 2020	33,333
100,000	0.425	February 27, 2020	16,666
250,000	0.70	September 2, 2019	125,000
910,000	1.01	September 18, 2019	455,000
6,564,000			2,583,999

(1) These options were granted to two charitable organizations.