PRESCIENT MINING CORP.

Management's Discussion and Analysis
For the fiscal year ended June 30, 2014

GENERAL

Prescient Mining Corp. (the "**Company**") was incorporated under the *Business Corporations Act* (British Columbia) on December 21, 2006 and is engaged in the acquisition, exploration and development of mineral properties. The Company is listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "PMC".

This management's discussion and analysis ("**MD&A**") reports on the operating results and financial condition of the Company for the year ended June 30, 2014 and is prepared as October 9, 2014. The MD&A should be read in conjunction with the Company's audited financial statements for the years ended June 30, 2014 and 2013 the notes thereto which were prepared in accordance with the International Financial Reporting Standards (the "**IFRS**").

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

FORWARD LOOKING STATEMENTS

This document 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 document 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 planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. 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 forwardlooking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; 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. 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.

OVERVIEW

In fiscal year 2011, the Company entered into an option agreement with Geomode Mineral Exploration Ltd. for the exclusive right and option to acquire a 100% undivided interest in the Hook Lake Project, a prospective uranium project, located in the Athabasca Basin, Saskatchewan. The project consists of a 5,052-hectare mineral disposition on the outer eastern edge of the Athabasca basin, adjacent to JNR Resources' Way Lake uranium project.

In consideration of the grant of option, the Company paid $15,000 and issued 150,000 common shares of the Company on July 30, 2012. The Company may exercise the option by incurring a total of $871,248 in exploration and development expenditures on the project over a period of three years and paying an additional sum of $1-million to the vendor on the third anniversary of the TSX Venture Exchange approval date.

On August 12, 2014, the Company terminated the option agreement.

The Company is now in the process of becoming a licensed producer of medical marijuana in Canada (a "**Licensed Producer**") by closing a share exchange (the "**Share Exchange**") with Aurora Marijuana Inc. ("**Aurora**"), a company incorporated under the *Business Corporations Act* (Alberta), and the shareholders of Aurora (the "**Shareholders**"). On close of the Share Exchange, Aurora will be the wholly-owned subsidiary of the Company. Currently, Aurora is in the process of applying to Health Canada for a medical marijuana production and distribution license (a "**Production License**") under the recently enacted MMPR, which came into full effect on April 1, 2014.

The business of the Company is now based on the acquisition of Aurora, an established company in Edmonton, Alberta, that holds a pre-license approval granted by Health Canada and is in the final stages of obtaining a Licensed Producer designation from Health Canada under the MMPR. The licensed producer inspection of Aurora was completed on August 26, 2014.

RISK FACTORS

This section discusses factors relating to the business of Company or the Company after the Share Exchange (the "**Resulting Issuer**") 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 or the Resulting Issuer 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 or the Resulting Issuer's business have the potential to influence its operations in a materially adverse manner.

Forward Looking Information

Certain information set out in this MD&A includes or is based upon expectations, estimates, projections or other "forward looking information". Such forward looking information includes projections or estimates made by the Company or the Resulting Issuer about its future business operations. While such forward looking statements and the assumptions underlying them are made in good faith and reflect the Company or the Resulting Issuer's current judgment regarding the direction of their business, actual results will almost certainly vary (sometimes materially) from any estimates, predictions, projections, assumptions or other type of performance suggested here.

Market Risk for Securities

Aurora is a private company whose common shares are not listed for trading on a stock exchange. There can be no assurance that an active trading market for the Resulting Issuer Shares will be established and sustained after the Share Exchange. Upon the close of the Share Exchange and/or listing, the market price for the common shares of the Resulting Issuer (the "**Resulting Issuer Shares**") 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 Resulting Issuer Shares. 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.

Reliance on Licensing

The ability of the Resulting Issuer to successfully grow, store and distribute medical marijuana in Canada will depend on success of the Resulting Issuer in acquiring a Production License. Health Canada has received over 800 applications for Production Licenses to date, the number of submissions continues to grow, and there are indications that the approval process is becoming elongated. Once a license is obtained, any failure to comply with the terms of the Production License, or any failure to renew the Production License after its expiry date, would have a material adverse impact on the financial condition and operations of our business.

No Operating History Risk

As Aurora and the Company and the Resulting Issuer will be start-up companies, there are limited operating histories. Aurora has not entered the production, sales and distribution stage. The Company and the Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risks that it will be unable to acquire the necessary Production License, successfully produce commercial marijuana, or establish a market for our product. The Company and Aurora anticipate positive cash flow from operations by the earliest of January 2015. There can be no assurance that consumer demand for the products will be as anticipated, or that the Resulting Issuer will become profitable.

Change in Law, Regulations and Guidelines

The Resulting Issuer'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 Resulting

Issuer 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 Resulting Issuer'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 Resulting Issuer'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 Resulting Issuer's business, and potentially materially and adversely affecting the Resulting Issuer's business, its financial condition and operations.

Availability of Seed Supply and Skilled Labour

The Resulting Issuer's ability to commence and continue operations will be dependent on its ability to acquire starting materials. There are four legal sources of starting materials under the MMPR:

1. Health Canada;
2. Personal-Use Production License holders under the MMAR regime;
3. Designated-Person Production License holders under the MMAR regime; and
4. Importation.

There is no guarantee that Resulting Issuer will be able to acquire seeds from such sources. Further, the Resulting Issuer's ability to maintain operations will be dependent on access to skilled labour. There is no guarantee that the Resulting Issuer will be successful in maintaining its supply of skilled labour, and a failure to do so would limit the Resulting Issuer's ability to produce the predicted amounts of product. This would have an adverse effect on the Resulting Issuer's operations and financial results.

Negative 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.

Competitive Risk

Although the market for the Resulting Issuer's product does appear to be sizeable, the Resulting Issuer 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 if the Resulting Issuer hopes to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If the Resulting Issuer is not successful in achieving sufficient resources to invest in these areas, the Resulting Issuer's ability to compete in the market may be adversely affected, which could materially and adversely affect the Resulting Issuer's business, its financial condition and operations.

Advertising and Promotional Risk

The Resulting Issuer's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional costs, including the Resulting Issuer's ability to (i) create brand recognition for its products; (ii) determine appropriate advertising strategies, messages and media; and (iii) maintain acceptable operating margins on such costs. There can be no assurance that advertising and promotional costs will result in revenues for the Resulting Issuer's business in the future, or will generate awareness of the Resulting Issuer's Product. In addition, no assurance can be given that the Resulting Issuer will be able to manage the Resulting Issuer's advertising and promotional costs on a cost-effective basis.

Uninsured or Uninsurable Risk

The Resulting Issuer may become subject to liability for risks against which it cannot insure or against which the Resulting Issuer 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 Resulting Issuer's usual business activities. Payment of liabilities for which the Resulting Issuer does not carry insurance may have a material adverse effect on the Resulting Issuer's financial position and operations.

Conflicts of Interest Risk

Certain of the Company and the Resulting Issuer's 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 and the Resulting Issuer's 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 our best interests. However, in conflict of interest situations, the Company and the Resulting Issuer'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 and the Resulting Issuer. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company and the Resulting Issuer.

Key Personnel Risk

The Company and the Resulting Issuer's success will depend on its directors' and officers' ability to develop the Company and the Resulting Issuer's business and manage its operations, and on the Company and the Resulting Issuer's 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 and the Resulting Issuer'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 and the Resulting Issuer will be able to attract or retain key personnel in the future, which may adversely impact the Company and the Resulting Issuer's operations.

Speculative Nature of Investment Risk

An investment in the Company or the Resulting Issuer's common shares carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company or the Resulting Issuer 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 or the Resulting Issuer is in the development and planning phases of its business and has not started commercialization of its products and services. The Company or the Resulting Issuer's operations are not yet sufficiently established such that the Company or the Resulting Issuer can mitigate the risks associated with the Company or the Resulting Issuer's planned activities.

No Established Market for Shares Risk

There is currently no established consistent trading market through which common shares in the Company or the Resulting Issuer's authorized capital may be sold. Even if a trading market develops, there can be no assurance that such market will continue in the future. Any investor of the Company or the Resulting Issuer may lose their entire investment.

Agricultural Operations Risk

Since the Resulting Issuer'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 Resulting Issuer expects to grow the 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 Resulting Issuer's ability to produce medical marijuana.

Building Construction Risk

Since Aurora has yet to complete the construction of its production facility, there may be unforeseeable events which cause an increase in the projected buildings or maintenance costs. Such an increase in costs may require the Resulting Issuer to re-allocate funds from other areas of its business; may require the Resulting Issuer to raise more funding than originally anticipated; and may delay the Resulting Issuer's ability to go into production. Such delay may have a material adverse effect on our business and its financial results.

Transportation Risk

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 Resulting Issuer's business. Should such transportation become unavailable for prolonged periods of time, there

may be a material adverse effect on the Resulting Issuer's business, financial situation, and operations.

Liquidity and Future Financing Risk

Aurora and the Company are and the Resulting Issuer will be in the development stage, having not started operating and has not generated any revenue. The Resulting Issuer 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 Resulting Issuer's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Resulting Issuer's business success. There can be no assurance that the Resulting Issuer will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Resulting Issuer's management. If additional financing is raised by issuing Resulting Issuer Shares, control may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Resulting Issuer may be required to scale back its business plan or cease operating.

Going-Concern Risk

The financial statements of the Company have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company or Resulting Issuer will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company or Resulting Issuer be unable to continue as a going concern.

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 and the Resulting Issuer 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 and the Resulting Issuer 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 Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and the Resulting Issuer and its management. If uncertain market conditions persist, the Company and the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Company or the Resulting Issuer's operations and the trading price of the Company or Resulting Issuer Shares on the CSE.

Dividend Risk

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

Share Price Volatility Risk

It is anticipated that the Company and the Resulting Issuer Shares will be re-listed for trading on the CSE. As such, external factors outside of the Company and the Resulting Issuer's control such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward the medical marijuana sector stocks may have a significant impact on the market price of the Company and the Resulting Issuer 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. There can be no assurance that an active or liquid market will develop or be sustained for the common shares.

Increased Costs of Being a Publicly-Traded Company

As the Company and the Resulting Issuer will have publicly-traded securities, the Company and the Resulting Issuer will incur significant legal, accounting and filing fees not presently incurred by Aurora. Securities legislation and the rules and policies of the CSE requires listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material compliance costs.

Value of Aurora, the Company and the Resulting Issuer.

Aurora, the Company and the Resulting Issuer's assets are of indeterminate value. For further particulars see the financial statements scheduled hereto.

Negative Cash Flow

Aurora and the Company had negative cash flows from operating activities in their respective most recent financial years being the year ended June 30, 2014.

Fluctuating Prices of Raw Materials May Adversely Affect the Resulting Issuer.

The Company and the Resulting Issuer's 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 or Resulting Issuer'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 or Resulting Issuer and, therefore the economic viability of any of the Resulting Issuer's business, cannot accurately be predicted.

Changing Environmental Regulations May Adversely Affect the Resulting Issuer.

All phases of the Resulting Issuer's operations will be subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies

and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Aurora, the Company or the Resulting Issuer's operations.

Political and Economic Instability May Adversely Affect the Resulting Issuer

The Resulting Issuer 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 Resulting Issuer'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.

Lack of Share Liquidity

Common shares of the Company and the Resulting Issuer Shares are subject to certain trade restrictions, which may include a hold period restricting the trading of the securities.

Limited Operating History and No Assurance of Profitability

Prior to the close of the Share Exchange, Aurora operated as a private company since its inception on September 5, 2013. The brand is young, while growing, is still comparatively modest, owing in part to the industry, inability to aggressively execute our business plan because of a lack of working capital. The listing on the CSE and, if any, capital raise is designed to provide the Resulting Issuer with the working capital we need to more fully implement the business objectives of the Resulting Issuer.

We are subject to all of the risks and uncertainties associated with any new business, including the risk that we will be unable to establish a market for our products and services, achieve our growth objectives, and/or ultimately become profitable.

Intellectual Property

The success of the Company and Resulting Issuer's business depends in part on its ability to protect its ideas and technology. Aurora and the Company have no patented technology or trademarked business methods at this time nor have the Company, Aurora or the Resulting Issuer applied to register any patents, trademarks or copyrights or applied to register the trademark "Aurora".

Even if the Company, Aurora and the Resulting Issuer moves to protect its technology with trademarks, patents, copyrights or by other means, Aurora and the Resulting Issuer are not assured that competitors will not develop similar technology, business methods or that Aurora and the Resulting Issuer will be able to exercise their respective 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.

Significant Ownership Interest of Management and Directors

As of the date of this MD&A, officers and directors of the Company own an aggregate of 2,079,223 shares, or approximately 5.1%, of all issued and outstanding share of the Company. As a group, these individuals could exercise substantial control over matters requiring shareholder approval, such as election of directors, approval of transactions, and changes to share structure. Until further rounds of financing are completed, other shareholders may be limited in their ability to exercise control over important corporate decisions.

On close of the Share Exchange, officers and directors of the Resulting Issuer will own an aggregate of 37,549,223 shares or approximately 37.5% of the issued and outstanding Resulting Issuer Shares. As a group, these individuals could exercise substantial control over matters requiring shareholder approval, such as election of directors, approval of transactions, and changes to share structure. Until further rounds of financing are completed, other shareholders may be limited in their ability to exercise control over important corporate decisions.

Marketing Effectiveness

The Resulting Issuer's ability to grow its business and achieve positive earnings will depend in part on the effectiveness of advertising and other forms of promotion that, among other objectives, would seek to build brand awareness and meaningfully increase our user base. There can be no assurance that advertising and promotional expenditures will achieve these objectives.

SELECTED ANNUAL INFORMATION

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the years ended June 30, 2014, 2013 and 2012 prepared in accordance with IFRS. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

	2014	2013	2012
Interest income	$7,855	$9,389	$15,025
Net loss and comprehensive loss	$399,705	$393,489	$315,760
Loss per share	$0.02	$0.02	$0.02
Total assets	$1,887,349	$718,545	$1,121,220
Total long term liabilities	Nil	Nil	Nil
Cash dividends declared per share for each class of share	Nil	Nil	Nil

RESULTS OF OPERATIONS

At June 30, 2014, the Company had not yet achieved profitable operations and had a net loss of $399,705 resulting in a basic and diluted loss per share of $0.02. The increase in loss of $6,216 resulted primarily from increases in professional fees , office, rent and administration, financing fees, regulatory fees and share-based payments.

During the year ended June 30, 2014, the Company recorded a financing fee of $99,960 from the issuance of 714,000 bonus shares for the $500,000 loan received during the year. No such cost was incurred in the prior year.

The increases in professional fees of $13,027, office, rent and administration of $41,293 and regulatory fees of $13,437 during the year ended June 30, 2014 resulted from increased corporate activity related to the listing on the CSE and due diligence and other costs related to the Share Exchange.

During the year ended June 30, 2014, the Company recorded $45,615 for the grant of 183,333 options at $0.05 per share to directors and employee expiring March 19, 2024, 1,260,667 options at $0.05 per share to directors and employee expiring from March 22, 2015 to May 31, 2021 and $38,791 for the amendment in the terms of 1,420,667 previously granted options whereby the exercise price of the options has been reduced to $0.05.

Project evaluation costs decreased by $151,327 as during the prior year, the Company incurred legal and travel expenditures related to a project evaluation of a potential resource asset acquisition. The proposed transaction did not complete and no such expenditures were incurred during the year ended June 30, 2014.

The exploration and evaluation expenditures of $88,250 incurred during the year ended June 30, 2013 consisted of option payments made for the Hook Lake property. No exploration expenditures were incurred during the current year and the option agreement related to this property has been terminated subsequent to June 30, 2014.

At June 30, 2014 and 2013, the Company had no continuing source of operating revenues and related expenditures. The Company has not paid any dividends on its common shares nor does it have any present intention of paying dividends on its common shares, as it anticipates that all available funds obtained in the foreseeable future will be invested to finance its business activities.

Summary of Quarterly Results

The following table presents selected financial information from continuing operations for the most recent eight quarters:

Quarter ended	Finance Income	Income (Loss)	Earnings (Loss) per share
June 30, 2014	$3,006	($237,897)	$(0.01)
March 31, 2014	$1,577	($92,963)	Nil
December 31, 2013	$1,676	($29,100)	Nil
September 30, 2013	$1,596	($39,745)	Nil
June 30, 2013	$1,833	($105,414)	($0.01)
March 31, 2013	$2,152	($73,054)	NIl
December 31, 2012	$2,369	($68,105)	Nil
September 30, 2012	$3,035	($146,916)	($0.01)

The variation seen over such previous quarters was primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current property, none of which are possible to predict with any accuracy.

There are no general trends regarding the Company's quarterly results and the Company's business of resource exploration is not seasonal, as it can work on its property on a year-round basis (funding permitting). Past quarterly results may vary significantly depending mainly on the Company's exploration

activities or whether the Company has incurred evaluation costs on potential projects or granted any stock options, and these are the factors that account for material variations in the Company's quarterly net income (losses), none of which are predictable.

One of the major factors which may cause a material variation in net loss on a quarterly basis is the grant of stock options due to the resulting share-based payments which may be significant when they arise. Quarterly results can also vary significantly depending on whether the Company has incurred acquisition and exploration expenditures on its properties as may be seen during the quarters ended June 30, 2012 and September 30, 2012. Project evaluation costs and other related costs can have a material effect on quarterly results as and when they occur, as for example, in the quarters ended June 30, 2012, September 30, 2012, December 31, 2012, March 31, 2013 and June 30, 2013.

General and administrative costs tend to be quite similar from period to period except in certain cases when there is an increase in corporate activities. The variation in income is related solely to the interest earned on funds held by the Company.

LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES

The Company has no revenue generating operations from which it can internally generate funds. The Company has financed its operations and met its capital requirements primarily through the issuance of capital stock by way of private placements.

The Company reported working capital of $1,352,655 at June 30, 2014 as compared to working capital of $693,191 at June 30, 2013, representing an increase in working capital by $659,464. Net cash and cash equivalents on hand increased by $234,706 from $644,713 as at June 30, 2013 to $879,419 as at June 30, 2014. The increase in cash was mainly attributable to cash provided by common shares of the Company issued for net cash of $874,000 and cash provided by a third party loan of $500,000. As at June 30, 2014, the Company had a balance of Nil in guaranteed investments certificates ("**GICs**") compared to $647,800 in GICs at June 30, 2013.

During the year ended June 30, 2014, the Company completed the first tranche of a non-brokered private placement of 9,500,000 common shares at a price of $0.10 per share for gross proceeds of $950,000. The Company paid finder's fees of $76,000 and 760,000 share purchase warrants at a fair value of $83,645. Each finder's warrant entitles the finder to purchase a common share of the Company at a price of $0.10 per share expiring June 27, 2016.

Subsequent to June 30, 2014, the Company closed the following non-brokered private placement financings:

1. The second and final tranche consisting of 6,500,000 common shares at a price of $0.10 per share for gross proceeds of $650,000. The Company paid finders' fees of $52,000 and 520,000 share purchase warrants. Each finder's warrant entitles the finder to purchase a common share of the Company at a price of $0.10 per share expiring July 15, 2016; and

2. 8,000,000 common shares at a price of $0.25 per share for gross proceeds of $2,000,000. The Company paid aggregate finders' fees of $98,920 on a portion of the private placement.

Subsequent to June 30, 2014, the Company has arranged for a non-brokered private placement of 2,353,000 common shares at a price of $0.85 per share for gross proceeds of $2,000,050. The Company received shares subscriptions of $997,750 pursuant to this financing.

Pursuant to the Share Exchange, the Company entered into loan agreements with Aurora and advanced an aggregate of $3,860,000 as of the date of this MD&A. The loans have a term of six months from the dates of advances, bear interest at 8% per annum and are secured by a general security agreement dated June 19, 2014, granting the Company security over all present and after acquired property of Aurora.

As of the date of this MD&A, financing for the Company's operations is also potentially available through the exercise of vested stock options (See below "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 CSE 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 has not entered into any long-term lease commitments.

The Company presently has sufficient available funds to meet its operating cash requirements for the next twelve months. However, if the Company's plans change (as, for example, the Share Exchange) or its current assumptions change or prove inaccurate, the Company may be required to seek additional financing through the issuance of shares. 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 future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is in the process of closing the Share Exchange.

OFF BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at June 30, 2014 or as of the date of this report.

RELATED PARTY TRANSACTIONS

The Company has entered into certain transactions with related parties during the year ended June 30, 2014. A description of the related party transactions is as follows:

Name and Relationship to Company	Transaction	Three months ended June 30,	Years ended June 30,	
		2014	2014	2013
		$	$	$

Mosam Ventures Inc., a company controlled by a director and an officer of the Company	Management fees	15,000	28,500	17,500
Max Pinsky Personal Law Corporation, a company with a common officer	Legal fees	377	1,151	43,272
Avarone Metals Inc. (formerly Remstar Resources Ltd.), a company with a common director and a common officer	Office, rent and administration[(1)]	27,050	99,100	58,750
Ultra Lithium Inc., a company with common directors and officers	Rent [(2)]	-	-	11,000
ProspectOre Capital Corp., a company with a common director	Consulting	-	-	3,000

(1) The Company entered into a month-to-month arrangement for the rental of office premises and the provision of accounting, financial reporting and administrative services with Avarone Metals Inc., a public company related by a common director and a common officer. Of the fees paid to Avarone Metals Inc., $28,800 (2013 – $21,600) was allocated to the services of Nilda Rivera, CFO of the Company.

(2) The Company entered into a month-to-month arrangement for the rental of office premises with Ultra Lithium Inc., a public company related by a common director and a common officer.

Included in prepaid expenses is a rent deposit and prepaid rent of $1,500 (2013 - $1,500) paid to companies having a director and an officer in common.

Included in accounts payable and accrued liabilities was the amount of $5,250 (2013 - $12,327) paid to companies controlled by directors and an officer of the Company.

These transactions are in the normal course of business operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Fourth Quarter

During the fourth quarter of June 30, 2014, the Company reported a net loss of $237,897 as compared to a net loss of $105,414 during the fourth quarter in the prior fiscal year, representing an increase in loss by $132,483. The increase in loss was primarily attributable to an increase in operating expenses of $132,718.

The Company recorded a financing fee of $99,960 from the issuance of 714,000 bonus shares for a $500,000 loan received from a third party during the fourth quarter of the year. No such cost was incurred in the fourth quarter last year.

The increases in professional fees of $19,311, office, rent and administration of $10,538 and regulatory fees of $13,407 during the fourth quarter resulted from increased corporate activity related to the Company's listing on the CSE and due diligence and other costs related to the Share Exchange. No such costs were incurred in the fourth quarter last year.

During the fourth quarter in last year, the Company paid for cost of geophysics of $62,000 on the Hook Lake property. No work was done on this property and no costs were incurred during the fourth quarter of the current year. The option agreement on this property was terminated subsequent to June 30, 2014.

During the three months ended June 30, 2014, the Company recorded share-based payments of $41,301 for stock options granted to the directors, consultants and employee of the Company. No options were granted and no share-based payment was recorded in the fourth quarter last year.

As a developing stage company, there is no source of operating income and losses are expected to continue.

CRITICAL ACCOUNTING ESTIMATES

In the application of the Company's accounting policies which are described in Note 2 to the Company's audited financial statements for the year ended June 30, 2014, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 the 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 judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below.

(a) Share-Based Payments

The Company grants stock options to directors, officers, employees, and consultants of the Company under its incentive stock option plan. The fair value of stock options is estimated using the Black-Scholes option pricing model and are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility, and forfeiture rates.

Changes in assumptions used to estimate fair value could result in materially different results.

(b) Deferred Tax Assets

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, interest receivable, loans receivable, accounts payable and accrued liabilities and loans payable. 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 as at June 30, 2014 and 2013.

(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 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

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at June 30, 2014, the Company had cash and cash equivalents of $879,419 to settle current liabilities of $533,988 which mainly consisted of accounts payable of $33,550 and loans payable of $500,438 that were considered short term and settled within 30 days.

The Company is dependent on the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing 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 audited financial statements for the year ended June 30, 2014.

(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 short-term investments are invested 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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The following IFRS standard has been recently issued by the IASB or the IFRIC. The Company is assessing the impact of this new standard, but does not expect it to have a significant effect on the financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

IFRS 9, Financial Instruments

The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("**IFRS 9**"), which will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("**IAS 39**"). IFRS 9 will replace the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The new standard also requires a single impairment method to be used, provides additional guidance on the classification and measurement of financial liabilities, and provides a new general hedge accounting standard.

The mandatory effective date has tentatively been set for January 1, 2018; however, early adoption of the new standard is permitted. The Company currently does not intend to early adopt IFRS 9. The adoption of IFRS 9 is currently not expected to have a material impact on the financial statements as the classification and measurement of the Company's financial instruments is not expected to change given the nature of the Company's operations and the types of financial instruments that it currently holds.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES, OPTIONS AND WARRANTS

Common Shares

The Company is authorized to issue an unlimited number of voting common shares without par value.

As at June 30, 2014, the Company had 25,550,000 common shares issued and outstanding (2013 – 16,040,000). As at the date of this MD&A, there are 40,824,000 common shares issued and outstanding.

Stock Options

Number of Options	Exercise Price	Expiry Date	Number exercisable
473,333	$0.05	March 22, 2015	473,333
503,334	$0.05	October 29, 2017	503,334
144,000[(1)]	$0.15	October 29, 2017	144,000
84,000	$0.05	April 1, 2020	84,000
140,000	$0.05	May 31, 2021	140,000
183,333	$0.05	March 19, 2024	183,333
250,000	$0.70	September 2, 2019	62,500
1,000,000	$1.01	September 18, 2019	250,000

(1) Of these options, 144,000 were granted to two charitable organizations.

Share Purchase Warrants

Number of Warrants	Exercise Price	Expiry Date
760,000	$0.10	June 27, 2016
520,000	$0.10	July 15, 2016

SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2014:

1. The Company closed the second and final tranche of a non-brokered private placement of 6,500,000 common shares at a price of $0.10 per share for gross proceeds of $650,000. The Company paid finders' fees of $52,000 and 520,000 share purchase warrants. Each finder's warrant entitles the finder to purchase a common share of the Company at a price of $0.10 per share expiring July 15, 2016.

2. The Company closed a non-brokered private placement of 8,000,000 common shares at a price of $0.25 per share for gross proceeds of $2,000,000. The Company paid aggregate finders' fees of $98,920 on a portion of the private placement.

3. The Company granted stock options to purchase 1,000,000 common shares of the Company at a price of $1.01 per share for a period of 5 years.

4. The Company has arranged for a non-brokered private placement of 2,353,000 common shares at a price of $0.85 per share for gross proceeds of $2,000,050. The Company received shares subscriptions of $997,750 pursuant to this private placement.

5. 60,000 common shares were issued at $0.05 per share for gross proceeds of $3,000 on exercise of stock options.

6. On August 31, 2014, the Company entered into an Investor Relations Consulting Agreement (the "Agreement") for investor and financial relations services. The term of the Agreement is for a period of 3 months commencing September 1, 2014. Pursuant to the Agreement, the Company agreed to pay a monthly fee of $15,000 and grant stock options to purchase 250,000 common shares of the Company at a price of $0.70 per share for a period of 5 years. The stock options will vest as to 25% every 3 months up to a period of 12 months. The Agreement is subject to the approval of the Exchange.

7. On September 9, 2014, the Company entered into a Share Exchange Agreement with Aurora. See "Proposed Transaction" below.

8. On September 18, 2014, the Company entered into a consulting agreement pursuant to which the Company shall issue 250,000 broker warrants to the consultant. Each broker warrant entitles the consultant to acquire a common share of the Company at $1.01 per share for a period of 1 year.

9. The Company changed its name to Aurora Cannabis Inc.

PROPOSED TRANSACTION

On September 9, 2014, the Company entered into a Share Exchange Agreement with Aurora and the shareholders of Aurora (the "Agreement"). Pursuant to the terms of the Agreement, the Company will acquire all of the issued and outstanding shares of Aurora in exchange for an aggregate of 60,000,000 common shares of the Company (the "**Transaction Shares**").

In addition, the Company will also issue to former respective warrant and option holders of Aurora on a pro-rata basis the following:

1. An aggregate of 21,450,000 replacement warrants comprised of:

    a. 10,200,000 warrants exercisable at a price of $0.50 per share for a period of 3 years; and

    b. 11,250,000 warrants exercisable at a price of $0.02 per share for a period of 5 years.

2. 4,000,000 replacement stock options exercisable at a price of $0.001 per share for a period of 5 years.

(collectively, the "Replacement Securities").

The Company will also assume Aurora's currently outstanding 5 year, non-interest bearing convertible debt in the principal amount of $1,500,000 that is convertible at $0.125 per common share.

Upon the achievement of the key milestone of Aurora achieving the registration of a minimum of 2,000 patients under the Health Canada MMPR program, the Company shall issue:

1. an aggregate of 20,000,000 common shares of the Company (the "**Pubco Shares**") on a pro-rata basis to former shareholders of Aurora; and

2. an aggregate of 3,750,000 warrants exercisable at $0.02 per share to certain former warrant holders of Aurora.

All Transaction Shares and Replacement Securities to be issued above are subject to strict escrow provisions and a right of first refusal (the "ROFR") pursuant to the terms of the Share Exchange Agreement for a period of 36 months. The replacement stock options are also subject to an 18 month vesting period and ROFR. The replacement stock options are also subject to an 18 month vesting period and ROFR. The transaction is contingent on the Company resuming listing on the CSE.

In connection with the proposed transaction, the Company entered into a finder's fee agreement and will issue 3,000,000 common shares to the finder, being 5% of the total shares to be issued under the Agreement.

As of the most current date, the Company advanced an aggregate of $3,860,000 to Aurora pursuant to loan and security agreements.

The transaction is subject to the approval of the CSE.

Additional disclosures pertaining to the Company are available on the SEDAR website at www.sedar.com.