FOUR RIVER VENTURES LTD.

Management's Discussion and Analysis

Six Months Ended July 31, 2016

This Management's Discussion and Analysis ("MD&A") for Four River Ventures Ltd. ("Four River" or the "Company") provides analysis of the Company's financial results for the six months ended July 31, 2016 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the six months ended July 31, 2016 and the related notes thereto, prepared in accordance with International Accounting Standard No.34, Interim Financial Reporting. This MD&A should also be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2016 and the related notes thereto. All amounts are expressed in Canadian dollars, unless otherwise stated. All documents previously mentioned are available on SEDAR at www.sedar.com. This discussion is based on information available as at September 29, 2016.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This MD&A contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

The Company was incorporated under the *Company Act* of British Columbia on February 2, 2007.

The Company is a public issuer reporting to the British Columbia and Alberta Securities Commissions and listed its shares on the TSX Venture Exchange (the "Exchange") in Canada on July 29, 2011 where it traded under the symbol AAL. On June 16, 2015, the Company changed its name to Four River Ventures Ltd. The Company no longer meets the minimum listing requirements for the Exchange and is now trading under the symbol FFC.H on the NEX of the Exchange.

The Company is continuing to examine and evaluate other prospects in the United States and Canada with the intent of identifying suitable projects for development.

PROPOSED TRANSACTION

The Company has entered into a letter of intent, dated Aug. 8, 2016 with a subsequent amendment dated September XX, 2016, relating to the acquisition of Canabo Medical Corp. ("Canabo"), a private corporation existing under the laws of Canada. This transaction will be effected through an exchange of securities with all of the security holders of Canabo.

Overview of Canabo

Canabo is a Canadian corporation, incorporated on March 19, 2014. Canabo operates through its wholly owned subsidiary, 2412550 Ontario Inc., doing business as the Cannabinoid Medical Clinic ("TCMC"), a private corporation existing under the laws of Ontario and incorporated on March 27, 2014. The principal business carried on and intended to be carried on by Canabo is the operation of medical clinics for evaluating the suitability of, prescribing and monitoring cannabinoid treatments for patients suffering from chronic pain and disabling illnesses. Clinics operated by Canabo are staffed by physicians and qualified health care practitioners specifically trained to assess patient suitability for cannabinoid treatment, recommend treatment regimes and monitor treatment progress. Canabo sees patients only on a physician-referral basis. The marihuana for medical purposes regulations (MMPR) require that medical marijuana must be prescribed by a health care practitioner. No cannabinoid products or medical marijuana will be sold at Canabo's cannabinoid medical clinics.

Canabo operates seven clinics across Canada, with aggressive plans for future expansion. Canabo plans to capitalize on the growing demand for medicinal marijuana, high-quality patient care and its research abilities.

The main components of Canabo's operations:

All patients referred to Canabo are fully assessed and their medical history reviewed prior to their visit to the CMClinic. Following consultation with a CMClinic's internally trained physician, patients selected for herbal cannabis products receive an introductory cannabinoid education session with one of CMClinic's trained cannabinoid educators. These sessions help patients navigate the new medical marijuana regulatory system, providing patient education with respect to treatment with cannabinoids and medical marijuana generally, the different cannabis strains and cannabinoid profiles, and how to access medical marijuana from a licensed producer.

Patients of CMClinic are reassessed for treatment with each prescription renewal appointment. In addition, the effect and success of the treatment on each patient are measured and tracked. CMClinic uses a sophisticated database model to collect treatment efficacy results, including in-person, Web-based and mobile platforms for patients to provide feedback on the effects of the treatments on their condition. CMClinic tracks efficacy trends on Canabo's total patient population by condition, severity, treatment and demographic profiles.

Subsequent to July 31, 2016, Canabo completed a private placement equity financing to raise $3,457,500, by the issuance of 6,915,000 common shares of Canabo at an offering price of $0.50 per share. Finders' fees of 7% and 10% broker’s warrants were payable in connection with the private placement as permitted under the policies of the exchange. The net proceeds from the private placement will be used by the resulting issuer to finance its expansion plan, to open up to six new clinics in the next approximate 12 months and for general working capital.

The transaction

As a condition of the proposed transaction, the Company proposes to complete a share consolidation on the basis of two old common shares of the Company for one new common share of the Company.

Pursuant to the terms of the acquisition, the Company will acquire all of the issued securities and control of Canabo, and as consideration, subject to TSX Venture Exchange (“exchange”) approval, the Company will issue approximately 27,546,900 common shares (post-consolidation) to the security holders of Canabo, representing approximately 91.6% of the issued and outstanding common shares of the company after completion of the acquisition on the basis of approximately one common share of the company for each one common share of Canabo outstanding.

Upon completion of the transaction, it is expected that the resulting issuer will meet the public distribution requirements of an exchange Tier 2 technology or life sciences issuer. Shareholders of the Company and the resulting issuer are expected to comply with any special escrow restrictions as are required to satisfy the exchange's minimum listing requirements, as well as to comply with applicable escrow policies of the exchange. It is also expected that the principals of Canabo will control the resulting issuer. No party involved in the transaction is a related or non-arm's-length party. No deposit or loan has been made to Canabo.

The Company must either convene a general meeting for the purpose of obtaining shareholder approval to the transaction, or obtain written consents from the holders of over 50 per cent of the total issued and outstanding shares of the Company approving the transaction, in accordance with the policies of the exchange. The completion of the transaction will be subject to at least the following mutual conditions precedent:

1. The execution of a definitive agreement;
2. The approval of all matters and documentation in support of the transaction (including and without limitation, the shareholders' approval and any required approval or consent of the shareholders of Canabo);
3. The receipt of all necessary regulatory and third party approvals, including the acceptance of the exchange, and compliance with all applicable regulatory requirements and conditions in connection with the transaction;
4. The appointment of a qualified sponsor, if required by the exchange;
5. The confirmation of the representations and warranties of each party to the definitive agreement as set out in such agreement;
6. The delivery of standard completion documentation;
7. Other conditions precedent customary for securities exchange transactions similar to this transaction.

In addition to the above-listed mutual conditions precedent, the completion of the transaction is also subject to the following conditions precedent in favour of Canabo:

1. The completion of a satisfactory due diligence review of the Company, its financial condition, operations, assets and liabilities, by Canabo and its professional advisers;
2. The completion of a share consolidation on the basis of two old common shares of the company for one new common share of company;
3. Receipt of the approval of the board of directors of Canabo.

In addition to the above-listed mutual conditions precedent and conditions precedent in favour of Canabo, the completion of the transaction is also subject to the following additional conditions precedent in favour of the Company:

1. The completion of a satisfactory due diligence review of Canabo, including a review of the valuation report, by the Company and its professional advisers;
2. The receipt of audited annual financial statements and reviewed interim financial statements of Canabo by the Company. The conditions precedent in favour of the Company may be waived in whole or in part by the Company, and the conditions precedent in favour of Canabo may be waived in whole or in part by Canabo.

The completion of the transaction is expected to occur on the day that is the seventh business day following the satisfaction or waiver of the conditions precedent, or such other date as mutually agreed to by the Company and Canabo, but in any event no later than December 31, 2016. Each of the Company and Canabo will bear its own respective costs and expenses associated with the transaction. The Company intends to apply for a waiver or an exemption from sponsorship requirements; however, there is no assurance that the Company will be able to obtain this exemption.

Overview of management and the board of directors

Management

It is expected that the management of the resulting issuer will consist of John Philpott as president and chief executive officer, Dr. Danial Schecter as chief medical officer and Rob Randall as chief financial officer and corporate secretary. Mr. Philpott, president and chief operating officer of Canabo, has been active in the medical industry for the past two decades, serving as CEO of a leading North American physician recruitment firm. His background includes management and consulting assignments relating to clinic operational efficiencies in a wide variety of hospital, clinic and medical research operations.

Dr. Schecter, a director of Canabo, is a founder, chief medical officer and a director of CMC, and is primarily responsible for supervising the medical consulting services of the operation. After working alongside some of Canada's leading researchers in the field of medical marijuana, Dr. Schecter developed a strong interest in the therapeutic use of cannabinoids. As a recognized medical expert in the field of prescription cannabinoids and medical marijuana, Dr. Schecter has given numerous presentations to fellow physicians and developed educational programs on this subject. Dr. Schecter is the driving force behind physician training and operating process protocol, and he oversees cannabinoid educator programs and designed the CMClinic treatment efficacy database and protocols.

Mr. Randall, CFO and secretary of Canabo, has served as contract CFO for a number of companies listed on the TSX Venture Exchange over the past five years and has extensive financial experience within the public company environment. He currently serves as CFO for Stockport Exploration Inc. and Metallum Resources Inc. Previously, he was the corporate controller with Etruscan Resources Inc. and a principal with PricewaterhouseCoopers.

Board of directors

It is the intention of the company and Canabo to establish and maintain a board of directors with a combination of appropriate skill sets that is compliant with all regulatory and corporate governance requirements, including any applicable independence requirements. The board of directors of the company currently consists of three members. Upon completion of the transaction, the board of the resulting issuer is expected to be reconstituted to comprise five members, consisting of Alistair MacLennan and Robert Coltura (current directors of the company), and Dr. Schecter, Dr. Neil Smith and Ian Klassen (current directors of Canabo).

Change of name

The Company proposes to change its name on closing to Canabo Medical Inc., or such other name as is acceptable to the registrar of companies and the exchange.

In accordance with exchange policy, the Company's shares are currently halted from trading and are expected to remain halted until after the exchange accepts and confirms the completion of the transaction.

Private Placement

On March 22, 2016, the Company completed a non-brokered private placement for total proceeds of $153,750 through the issuance of 3,075,000 units. Each unit was priced at $0.05, and is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant will enable the holder to acquire one additional common share of the Company at a price of $0.075 per share for a period of 12 months from closing.

Management Changes

On June 16, 2016, the Company announced the appointment of Mr. Robert Coltura to the board of directors, replacing Mr. Robin Forshaw. Additionally, the Company appointed Mr. Alistair MacLennan as its President and Chief Executive Officer replacing Mr. Forshaw.

Quarterly Information

	Three Months Ended July 31, 2016	Three Months Ended April 30, 2016	Three Months Ended January 31, 2016	Three Months Ended October 31, 2015
Total assets	$ 59,381	$ 71,571	$ 4,164	$ 7,444
Working capital deficiency	(523,706)	(501,740)	(653,084)	(693,799)
Net income (loss) for the period	(21,361)	(2,406)	40,715	(26,393)
Earnings (loss) per share	(0.00)	(0.00)	0.02	(0.01)

	Three Months Ended July 31, 2015	Three Months Ended April 30, 2015	Three Months Ended January 31, 2015	Three Months Ended October 31, 2014
Total assets	$ 7,996	$ 24,257	$ 8,177	$ 11,503
Working capital deficiency	(667,406)	(655,901)	(643,100)	(606,056)
Net income (loss) for the period	(11,505)	(12,801)	(42,544)	(24,696)
Earnings (loss) per share	(0.00)	(0.00)	(0.02)	(0.01)

Fiscal 2017

During the second quarter of fiscal 2017, the Company recorded a loss of $21,361. Included in this loss was a foreign exchange loss of $4,204 as a result of the effect of a change of foreign currency rates on US$ denominated payables. This item was offset by general operating expenses incurred during the three months ended July 31, 2016.

During the first quarter of fiscal 2017, the Company recorded a loss of $2,406. Included in this loss was a foreign exchange gain of $12,073 as a result of the effect of a change of foreign currency rates on US$ denominated payables. This item was offset by general operating expenses incurred during the three months ended April 30, 2016.

Fiscal 2016

During the fourth quarter of fiscal 2016, the Company recorded net income of $40,715. Included in net income was the recovery of expenses in the amount of $52,983. During the fourth quarter of fiscal 2016, the Company adjusted its estimates on certain expenses that were accrued during previous years. Additionally, during the fourth quarter of fiscal 2016, the Company recorded a recovery of GST receivable previously written off in the amount of $24,695 and a gain on settlement of debt of $4,435. These items were partially offset by general operating expenses. No such transactions occurred during the comparative period.

During the third quarter of fiscal 2016, the Company incurred a loss of $26,393. During this quarter, the Company recorded a $2,929 recovery of GST receivable previously written off and recorded a foreign exchange loss of $22,153 as a result of the effect of a change of foreign currency rates on US$-denominated payables.

During the second quarter of fiscal 2016, the Company incurred a loss of $11,505 which was similar to the loss incurred during the first quarter of fiscal 2016. During this quarter, the Company recorded a $6,055 recovery of GST receivable previously written off, changed its name, and completed a 20-old for 1-new share consolidation.

During the first quarter of fiscal 2016, the Company incurred a loss of $12,801, which was a decrease from a loss of $42,544 incurred during the previous quarter. The main reason for the change in loss was due to the Company's audit accrual in the previous quarter and the cessation of the accrual of management fees.

Fiscal 2015

During the fourth quarter of fiscal 2015, the Company incurred a loss of $42,544, which was an increase from a loss of $24,696 incurred during the previous quarter. The reason for the change in loss was due to the Company accruing for its annual audit cost.

During the third quarter of fiscal 2015, the Company incurred a loss of $24,696, which was a decrease from a loss of $32,000 incurred during the previous quarter. The reason for the change in loss was due to a decrease in overall general operating expenditures.

Liquidity and Capital Resources

The Company commenced fiscal 2017 with a working capital deficiency of $653,084 and cash of $3,669. As at July 31, 2016, the Company's working capital deficiency was $523,706 and its cash position was $59,381. During the six months ended July 31, 2016, the Company used cash of $98,038 (2015 - $33,464) for operating activities and received $153,750 pursuant to a private placement (see Private Placement section above).

The Company does not anticipate generating revenues in the near future and intends to seek other business opportunities. Any future activities will need to be funded through additional equity financings or loans.

Related party transactions

During the six months ended July 31, 2016, the Company entered into the following transaction with a related party:

- Incurred $15,000 (2015 - $15,000) for professional fees paid or accrued to a company associated with the Chief Financial Officer of the Company.

As at July 31, 2016, recorded in trade and other payables is $491,182 (January 31, 2016 - $549,303) due to directors, officers and significant shareholders, and to companies associated with or controlled by directors, officers and significant shareholders of the Company. These amounts owing are non-interest bearing, unsecured and do not have a fixed term of repayment.

Key management personnel compensation (including senior officers and directors of the Company):

	July 31, 2016	July 31, 2015
Short-term benefits	$ 15,000	$ 15,000

Off Balance Sheet Arrangements

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

Contingencies

The Company has no contingencies as of the date of this MD&A.

Investor Relations

The Company has not entered into any investor relations agreements as of the date of this MD&A.

Proposed Transactions

The Company has not entered into any undisclosed proposed transactions as of the date of this MD&A.

Financial Risk and Capital Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, trade payables and loans approximate their fair value because of the short-term nature of these instruments.

The following is an analysis of the Company's financial instruments measured at fair value:

	As at July 31, 2016		
	Level 1	Level 2	Level 3
Cash	$ 59,381	$ -	$ -

	As at January 31, 2016		
	Level 1	Level 2	Level 3
Cash	$ 3,669	$ -	$ -

Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company's primary exposure to credit risk is on its cash held in bank accounts. Cash is deposited in bank accounts held with one major bank in Canada. There is a concentration of credit risk, which is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Management believes that the credit risk with respect to cash and receivables is low because receivables are due primarily from government agencies and cash is held with reputable Canadian financial institutions. Credit risk is assessed as low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at July 31, 2016, the Company had a cash balance of $59,381 (January 31, 2016 - $3,669) to settle current liabilities of $583,297 (January 31, 2016 - $657,248). To maintain liquidity, the Company is continually investigating financing opportunities. There can be no assurance these efforts will be successful in the future. All of the Company's financial liabilities are subject to normal trade terms. Liquidity risk is assessed as high.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk on its cash balances as these instruments roll over daily.

b) Foreign currency risk

The Company is exposed to foreign currency risk as some of its trade and other payables are denominated in US Dollars (USD). The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The Company's foreign currency risk exposures is as follows:

	July 31, 2016		January 31, 2016	
	USD	CAD	USD	CAD
Trade and other payables	$87,000	$113,417	$87,000	$113,735

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and development of exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management from January 31, 2016.

Risks and Uncertainties

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company has no mineral property. Once another property is acquired, the main operating risks will include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Outstanding Share Data

As at September 29, 2016, there were 5,072,900 common shares issued and outstanding. In addition, there were 359,140 warrants outstanding with an exercise price of $4.00 per share which expire on September 4, 2017, 3,075,000 warrants with an exercise price of $0.075 per share which expire on March 22, 2017. There are no stock options outstanding as at the date of this MD&A.

Forward-Looking Statements

This MD&A contains certain forward-looking statements relating, but not limited to, the Company's operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "may", "will", "should", "expects", "projects", "plans", "anticipates" or similar expressions suggesting future outcomes.

Four River Ventures Ltd. does not have a history of earnings. These statements represent management's expectations or beliefs concerning, among other things, future performance and financial results and various components thereof. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking assumptions will not be achieved by the Corporation. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, including but not limited to: changes in business strategies; general economic and business conditions; the effects of competition; changes in laws and regulations, including environmental and regulatory laws; and various events that could disrupt operations. Actual performance and financial results in future periods may differ materially from any projections of future performance or results expressed or implied by forward-looking statements.

Four River undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise, or the foregoing list of factors affecting such information.