

Marapharm Ventures Inc.

Watch us grow!



**Amended and Restated
MANAGEMENT DISCUSSION & ANALYSIS
For The Nine Months Ended December 31, 2016**

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

Introduction

The following amended and restated management discussion and analysis ("MD&A"), prepared as of August 23, 2017, is a review of the operations, current financial position and outlook for Marapharm Ventures Inc. (the "Company") and should be read in conjunction with the Company's most recently issued audited financial statements for the year ended March 31, 2016, copies of which are filed on the SEDAR website: www.sedar.com.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

Management is responsible for the information contained in this MD&A and its consistency with information presented to the Audit Committee and Board of Directors. All information in this document has been reviewed and approved by the Audit Committee and Board of Directors. This review was performed by management with information available as of August 23, 2017.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

Forward-Looking Information

This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. Other than statements of historical facts, all statements included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competition, strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe", "pipeline", and similar expressions are intended to identify forward-looking statements. Forward-looking information is based in part, on assumptions that may change, thus causing actual results or anticipated events to differ materially from those expressed or implied in any forward-looking information. Such assumptions include the stability or improvement of general economic conditions. These 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 such forward-looking statements. These forward statements are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Such factors include, among others, risks related to unavailability of financing, unfavorable market conditions and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

TABLE OF CONTENTS

Description of Business	2	Liquidity & Capital Requirements	8	Financial & Other Instruments	15
Overall Performance & Outlook	3	Capital Disclosure	12	Critical Risks & Uncertainties	15
Fourth Quarter	5	Off-Balance Sheet Arrangements	12	Other Matters	15
Selected Quarterly Financial Info	6	Related Party Transactions	12	Mgmt. Report on Internal Control	16
Discussion of Operations	7	Critical Accounting Estimates	14	Additional Information	16
Summary of Quarterly Results	8	Changes in Accounting Policies	14		

Description of the Company's Business

Marapharm Ventures Inc. ("Marapharm" or the "Company"), was incorporated under the Business Corporations Act (British Columbia) on April 24, 2007 under the name "0789189 B.C. Ltd." On March 5, 2012, the Company approved a Plan of Arrangement (the "Plan") with its parent company, Whitewater Resources Ltd., and became a reporting issuer. On May 21, 2013, the Company changed its name to "Capital Auction Market Inc." On August 1, 2014, the Company changed its name to "Marapharm Ventures Inc." The Company reached an agreement on December 10, 2014, to acquire Marapharm Inc., a company that was established to enter the emerging market of marijuana for medical purposes under Canadian regulations, and has submitted an application for a license with Health Canada. The consolidated financial statements now include the operations of the subsidiaries Marapharm Inc., Marapharm Washington LLC, Marapharm Las Vegas LLC, and EcoNevada, LLC. The Company's head office is located at Suite 200 – 537 Leon Avenue, Kelowna, B.C., V1Y 2A9. The Company's common shares commenced trading on the Canadian Stock Exchange ("CSE") on May 8, 2015 under the symbol "MDM". The Company's common shares also trade on the OTC Markets under the ticker symbol "MRPHF" and the Frankfurt and Stuttgart Stock Exchange under the ticker symbol "2MØ".

Marapharm was formed to create a global entity pursuing commercial ventures within the medical and recreational marijuana industry.

Kelowna, BC, Canada

The Company has a lease arrangement for an 11-acre property in Kelowna identified as a potential marijuana growing location in the Company's MMPR License application, which is in the Review Stage of the approval process by Health Canada.

In addition to its MMPR application, the Company owns Maragold, an all-natural oil product line, and to date has completed the hemp formulations for the products.

Las Vegas, Nevada, United States

Through Marapharm Las Vegas, LLC, the Company controls a provisional grow licence in Las Vegas, where it is planning to build a medical marijuana facility of up to approximately 70,000 square feet.

Whatcom County, Washington, United States

Through Marapharm Washington, LLC, the Company has a lease and sublease agreements for the leasehold improvements and equipment and a purchase option agreement for the property within a 28,000 square-foot industrial building in Whatcom County.

Reporting Basis

These consolidated financial statements have been prepared on a historical cost basis. Cost is the fair value of the consideration given in exchange for net assets.

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

Overall Performance & Outlook

Quarterly Highlights

- Completed the acquisition of Econeveda LLC ("Econeveda"), a company that owns two provisional medical cultivation and production licenses from the State of Nevada. Both licenses received final approval from the State of and were transferred to Marapharm Las Vegas LLC subsequent to the period-end.
- Received over \$5.8 million in gross proceeds from the exercise of outstanding warrants.
- Received \$.5 million in gross proceeds from bond subscriptions. Subsequent to the period end the Company closed the bond offering for total gross proceeds of \$1,555,943 (US\$1,170,000).
- Repaid the promissory note of \$377,363 that had been issued in connection with the Las Vegas, Nevada land acquisition in the year ended March 31, 2015.
- Began building improvements on the Company's Washington State leased properties.
- Purchase of an additional 1.1 acres to bring Las Vegas, Nevada land campus to a total of 7 acres.

Overall Performance

The Company had an increase in gross revenues for the nine months ended December 31, 2016 of \$0.27 million (2015 – nil), as a result of accrued lease payments on its property in Washington State. Total expenses in determining income (loss) before other items increased by \$3.0 million to \$4.1 million primarily due to: an increase in shareholder information & investor relations of \$2.1 million; an increase in consulting fees of \$0.25 million; an increase in professional fees of \$0.41 million as a result of land purchase transactions, bond offering and regulatory filings; an increase in rent & utilities of \$0.31 million primarily due to the Company's leased properties in Washington State; an increase in contract services of \$.22 million and a net increase in other expenses of \$.07 million due to the increased activities of the Company. The Company had a loss before other items of \$3.8 million compared to a loss of \$1.0 million in the prior year.

The Company's overall net comprehensive loss for the year increased from \$1.7 million in 2016 to \$4.3 million for the current nine months ended December 31, 2016. This loss is mainly attributed to a \$3.8 million loss before other items in addition to: non-cash expenses of \$.4 million; amortization and depreciation of \$0.14 million; interest of \$0.03 million; non-recurring expenses of \$0.05 million and a foreign currency translation loss of \$0.13 million.

The Company had a net increase in cash position for the current nine months ended December 31, 2016 of \$3.4 million compare to a net decrease in cash of \$0.34 million for the same period in the prior year. The increase in cash is primarily due to equity financings of \$2.8 million and \$5.8 million received from the exercise of share purchase warrants. The Company used for operations in the amount of \$2.8 million, repayment of loans of \$0.38 million, loan advances totaling \$0.61 million and for the acquisition of property & equipment, land and intangible assets of \$1.7 million. As at December 31, 2016 the Company had cash of \$3.7 million and working capital of \$4.0 million.

Current Developments & Outlook

Marapharm Washington

Marapharm WA is in the process of developing its property for cultivation, processing and research purposes, with the intention of creating a Cannabis Campus. We will continue to renovate the buildings which are presently in use, as well as, develop and build new structures as required. Cannabis has been a boon to the Washington State economy with the Washington State Liquor and Cannabis Board reporting over one billion in sales to consumers since 2014.



The Company has entered into an agreement to purchase 13.6 acres of industrial land and buildings located in Washington State for \$4.2 million. The 13.6 acres is zoned for Washington States I-502 marijuana cultivation and processing requirements. There are currently multiple buildings on the property, including the 30,000 square foot building with a tier 3 I-502 marijuana cultivation and processing licensed tenant, a 9,190 square building which will be renovated as the facilities processing center, a 7,200 square foot mechanic shop, a 2,208 square foot office building and large sheds. The Company's tenant, will be leasing the property at the rate of USD \$200,000 accrued per month with payments to start upon completion of the renovations. The payments are retroactive to the date that operations commenced. A deposit of \$500,000 USD was paid on and credited

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

to the overall purchase price. The remaining amount of the purchase price will be paid by way of 37 monthly installments of \$100,000 USD which began April 01, 2017.

The Company estimates that current demolition work of existing unusable facilities is approximately 60% complete with total demolition to be finished in August 2017 allowing the construction of the new facilities to begin. The estimated budget for the demolition and construction of new facilities is \$1.5 million.

Marapharm Las Vegas

Medical cannabis has been legal in Nevada since November 7, 2000, and Nevada recently passed a bill legalizing the use of recreational cannabis effective July 01, 2017. Marapharm is poised to take full advantage of this opportunity as the Company has been issued the applicable permits to grow, cultivate and sell its products including edibles and oils.

On May 11, 2015, the Company entered into an arm's-length agreement to purchase approximately 5.9 acres of land in the Apex Business Park in North Las Vegas, Nevada as well as the rights by assignment, to purchase the equity interests in a Nevada limited liability company, and to use a provisional license, which is a tenant by lease, to grow medical marijuana. The agreement also gave the Company an option to acquire the equity interests in the company that holds the license which the Company also exercised during the year.



In addition to this agreement, Marapharm acquired a 100% ownership interest in EcoNevada, LLC, a company that owns two licenses, one for cultivation and the other for processing, bringing the total square footage of all pending licenses to approximately 300,000 sq. ft., including a 16,000 sq. ft. processing license.

The Company has been able to merge its 3 licenses onto its 7-acre parcel in the Apex Business Park in Las Vegas to operate as a campus. The special use permits, allowing all three licenses to operate from that property, have been approved by the City of North Las Vegas. Marapharm has commenced the project, with two 5,000-square-foot starter buildings. The purpose of the smaller buildings will be to house the three licenses, to supply product to the market in the interim, and to allow for training of staff. The starter buildings have arrived and site work has commenced. On completion of this initial phase, the Company plans to begin construction of the remaining campus in a phased development. The total budgeted costs for the full development is currently estimated to be approximately \$60 million.

In June 2017, the Company exercised an option to acquire 100% of the equity interest of PhenoFarm NV LLC ("PhenoFarm") who owns a Nevada medical and recreational marijuana cultivation license. Pursuant to the terms of an amended option agreement, the Company agreed to acquire 85% equity interest of PhenoFarm for US\$250,000 in cash and the remaining 15% equity interest for 100,000 common shares of the Company. In July 2017 the balance of the purchase price was paid and the shares were issued.

California

California has a long history of using Medical Cannabis, being the first state to legalize its medical use. California also recently passed a bill to legalize the sale of recreational cannabis and has the potential of becoming the top state for cannabis sales in the United States. This is the reason for the Company's plans to purchase properties with the appropriate licenses to allow the Company to take advantage of the opportunities in such a large populous state. The following agreements to purchase properties are as follows:

- On March 24, 2017, the Company entered into to an agreement to purchase 1.22 acres of property located in Desert Hot Springs, California. The transaction was completed on May 31, 2017 for a total consideration of US\$1,126,729 inclusive of closing costs.
- On April 26, 2017 the Company entered into an agreement to purchase 7.02 acres of property located in Desert Hot Springs, California for US\$2,500,000. The Company has paid US\$100,000 into escrow and the transaction is expected to close on August 31, 2017.
- On July 5, 2017 the Company entered into an agreement to purchase 1.25 acres of property located in Desert Hot Springs, California for US\$520,000. The Company paid US\$18,000 into escrow and the transaction is expected to close on September 5, 2017

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

All properties are zoned for cannabis cultivation and processing.

Maragold Products

The Company is continuing to develop its line of Maragold health and wellness products, a line of all natural products blended with hemp and made up of raw essential oils and natural ingredients. Hemp has been used in healing for centuries but faced an almost world-wide ban for a large part of the twentieth century and into the early part of the 21st century. In recent years the ban has been gradually lifted and this broad spectrum plant is now being made available for its many therapeutic uses. The Company plans to offer the hemp infused health and wellness products through an online webstore it is in the process of developing.

Marapharm TV

The Company has launched Marapharm.tv to broadcast regular programs on the cannabis industry; in addition to this, we will provide a weekly market report of Marapharm's stock activity and updates on its operations. We believe that by utilizing online media we can better inform the public about our industry, its benefits and its challenges. The channel also allows us to advertise our brand and allows us a unique marketing opportunity.

Canadian Operations

Through its wholly owned operating subsidiary Marapharm Inc., the Company has applied to Health Canada to become a licensed producer under the Access to Cannabis for Medical Purposes Regulations (ACMPR). Marapharm's initial facility, a proposed 22,000 sq. ft. state-of-the-art cultivation facility, is planned for construction on an 11 acre leased site in Kelowna, British Columbia.

Outlook

Due to the strength of the Company's stock price, the Company has received in excess of \$10 million subsequent to December 31, 2016 and up to the date of this report from the exercise of warrants with an additional \$3.3 million expected prior to September 06, 2016. These funds, in addition to an \$8 million offering of share purchase warrants recently announced, will allow the Company to continue its development efforts in Washington, Nevada and California as outlined above. The Company does anticipate future financings of equity and/or debt to complete the construction of the planned facilities.

We believe the outlook for the Company and marijuana industry is very positive as the Canadian market for legalized medical and recreational marijuana has been projected to exceed \$12.7 billion. The market for medicinal use in Canada was estimated at \$144 million in 2014 and expected to grow by 23% per year to \$1.3 billion 2024. In the United States, New Frontier Data reported that the legal cannabis market was worth an estimated \$7.2 billion in 2016 and is projected to grow at a compound annual rate of 17%. Medical marijuana sales are projected to grow from \$4.7 billion in 2016 to \$13.3 billion in 2020. Adult recreational sales are estimated to jump from \$2.6 billion in 2016 to \$11.2 billion by 2020.

The Company is considering retail opportunities to complement its cultivation and processing abilities. This will allow the control of the quality, marketing and messaging behind our products.

Our recent results and above mentioned developments support our optimistic view of our future, however, neither the timing nor the degree of likelihood of success of any of our proposals, initiatives or commercialization efforts can be stated with any degree of accuracy.

Third Quarter

Total expenses in determining income (loss) before other items increased by \$1.04 million over the prior quarter to \$2.3 million primarily due to: an increase in stock promotion & investor relations agreements expensed of \$2.35 million; an increase in professional fees of \$0.27 million due to land acquisitions, bond offering and regulatory filings; offset by \$0.5 million of capitalized costs previously recorded in consulting fees and materials and repairs and reallocation of consulting fees. The Company also had an increase in non-cash expenses of Amortization and depreciation of \$0.14 million and stock based compensation expense of \$0.67 million.

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

The Company's overall net comprehensive loss for the quarter increased \$2.0 million from \$0.9 million in the prior quarter to \$2.9 million for the current quarter. This loss is mainly attributed to a \$1.04 million loss before other items as noted above; an increase in amortization & depreciation of \$0.14 million and an increase in stock based compensation \$0.5 million; finance costs of \$0.05 million and a foreign currency translation loss of \$.08 million.

Due to the Company's equity financings of \$3.2 million completed in the first and second quarters of the year and the exercise of warrants totaling \$5.8 million the Company's activities increased significantly beginning in the latter half of the second quarter and throughout the third quarter. Beginning towards the end of the second quarter the Company also placed an emphasis on marketing the Company to potential investors. We believe this activity has led to the significant increase in the Company's share capital value and increased trading volumes.

Selected Quarterly Financial Information

Operational and Administration Costs

The majority of the costs incurred by the Company are being applied to earnings in the current period as incurred.

For The Quarter Ended December 31	2016	2015	2014
Revenues	102,058	-	-
Operating Expenses	2,316,723	322,174	58,680
Income (Loss) Before Other Items	(2,214,665)	(322,174)	(58,680)
Amortization of Intangible Assets	(59,650)	-	-
Depreciation of Property & Equipment	(78,888)	-	-
Interest	(11,352)	-	-
Finance Fees	(3,817)	(6,071)	-
Stock Base Compensation	(450,266)	-	-
Net Income (Loss)	(2,818,638)	(328,245)	(58,680)
Basic & Diluted Earnings (Loss) Per Share	(0.05)	(0.01)	(0.00)
Total Assets	8,698,390	1,950,418	3,242,613
Total Long-Term Liabilities	527,338	407,198	-
For The Nine Months Ended December 31	2016	2015	2014
Revenues	268,254	-	-
Operating Expenses	4,056,263	1,024,247	101,077
Income (Loss) Before Other Items	(3,788,009)	(1,024,247)	(101,077)
Amortization of Intangible Assets	(59,650)	-	-
Depreciation of Property & Equipment	(82,870)	(1,218)	-
Interest & Finance Fees	(28,574)	-	-
Finance Fees	(54,000)	(6,071)	-
Stock Base Compensation	(450,266)	(826,069)	(11,998)
Net Income (Loss)	(4,463,369)	(1,857,605)	(89,079)
Basic & Diluted Earnings (Loss) Per Share	(0.09)	(0.09)	(0.00)
Total Assets	8,698,390	1,950,418	3,242,613
Total Long-Term Liabilities	527,338	407,198	-

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

Segment Information

During the three months ended December 31, 2016 and 2015, the Company had one reportable operating segment relating to medical marijuana and distribution of hemp based products. Geographical information is as follows:

	Canada \$	USA \$	Total \$
Three Months Ended December 31, 2016			
Revenues	-	102,058	102,058
Amortization of Intangible Assets	2,756	56,894	59,650
Depreciation of Property & Equipment	4,377	74,511	78,888
Other Expenses	460,917	2,321,241	2,782,158
Total Expenses	468,050	2,452,646	2,920,696
Net Income (Loss) for the Period	(468,050)	(2,350,588)	(2,818,638)
Current Assets	3,685,139	734,700	4,419,839
Loan Receivable	-	302,108	302,108
Due from Related Party	456,983	-	456,983
Property, Plant and Equipment	33,034	1,912,807	1,945,841
Intangible Assets	1	1,573,618	1,573,619
Segment Assets	3,634,837	5,063,533	8,698,390
Segment Liabilities	864,780	41,694	906,474
	Canada \$	USA \$	Total \$
Three Months Ended December 31, 2015			
Revenues	-	-	-
Depreciation of Property & Equipment	406	-	406
Other Expenses	321,768	-	321,768
Total Expenses	322,174	-	322,174
Net Income (Loss) for the Period	(322,174)	-	(322,174)
Current Assets	408,887	-	408,887
Due from Related Party	-	-	-
Property, Plant and Equipment	40,229	1,455,302	1,495,531
Intangible Asset	46,000	-	46,000
Segment Assets	495,116	1,455,302	1,950,418
Segment Liabilities	163,557	430,265	570,755

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

The geographical information for the nine months end December 31, is as follows:

	Canada \$	USA \$	Total \$
Nine months ended December 31, 2016			
Revenues	-	268,254	268,254
Expenses			
Amortization of Intangible Assets	-	59,650	59,650
Depreciation of Property and Equipment	6,956	75,914	82,870
Other Expenses	3,691,402	897,701	4,589,103
Net Loss for the Year	(3,698,358)	(765,011)	(4,463,369)
Current Assets	4,142,123	277,716	4,419,839
Loan Receivable	-	302,108	302,108
Due from Related Party	456,983	-	456,983
Property, Plant and Equipment	33,034	1,912,807	1,945,841
Intangible Assets	1	1,573,618	1,573,619
Segment Assets	4,632,141	4,066,249	8,698,390
Segment Liabilities	864,780	41,694	906,474
Nine months ended December 31, 2015			
Revenues	-	-	-
Expenses			
Depreciation of Property and Equipment	1,218		1,218
Other Expenses	1,787,565	68,822	1,856,387
Net Loss for the Year	(1,788,783)	(68,822)	(1,857,605)
Current Assets	408,887	-	408,887
Property, Plant and Equipment	40,229	1,455,302	1,495,531
Intangible Asset	46,000	-	46,000
Segment Assets	86,229	1,455,302	1,541,531
Segment Liabilities	163,557	407,198	570,755

Discussion of Operations

Operational activities greatly increased in the nine months ended December 31, 2016 over the same period in the prior year. During the year to date the Company changed its leadership and focused its efforts on fund raising and property acquisitions. The Company's total assets increased \$7.5 million to \$8.7 million with shareholders' equity increasing \$7.5 million as well due primarily to private placement offerings and the exercise of warrants.

The Company began to recognize revenues in the year as in May 2016, the Company acquired certain assets from a marijuana cultivation and processing licensed company in the State of Washington. The Company subleases this property to a Subtenant for monthly rents of USD \$21,000 that will retroactively increase to \$200,000 upon completion of renovations at the property pursuant to a sublease agreement. The Company also began invoicing for consulting, marketing and branding services to licensed cannabis operators.

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

Operating expenses increased by \$3.0 million over the prior year primarily due to:

- Managements' decision to focus on stock promotion and marketing activities in Canada, the United States and Europe in the amount of \$2.3 million. The results of these efforts we believe has resulted in the Company being able to raise in excess of \$8.9 million of equity and an appreciation in its share capital.
- Consulting expenses increased by \$.25 million as the Company utilized the expertise of various agents to execute on the various land purchases and building efforts. The balance of Consulting Fees for the current period is in a credit balance of \$0.5 million due to reclassification of expenses primarily to Stock Promotion and Investor Relations.
- Professional fees increased by \$0.41 million due to land purchases, equity financings, bond financing and other corporate governance matters.

The Company experienced a decrease in stock based compensation of \$0.37 million, bond interest and finance charges of \$0.05 million and recorded amortization and depreciation expenses in the amount of \$0.14 million.

The Company had an increase in cash of \$3.46 million and has working capital of \$4.04 million.

Summary of Quarterly Financial Results

The following table provides a summary of the Company's eight quarterly results ending on December 31, 2016:

	Quarter ended March 31, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2015	Quarter ended December 31, 2015
Revenue	-	-	-	-
Net Income (Loss)	(4,529,078)	(973,505)	(555,855)	(235,199)
Basic and Diluted Net Loss per Share	(0.17)	(0.02)	(0.02)	(0.01)

	Quarter ended March 31, 2016	Quarter ended June 30, 2016	Quarter ended September 30, 2016	Quarter ended December 31, 2016
Revenue	-	66,363	99,833	102,058
Net Income (Loss)	(1,530,785)	(499,394)	(886,005)	(2,901,196)
Basic and Diluted Net Loss per Share	(0.04)	(0.01)	(0.02)	(0.05)

The fluctuations between quarters is due to the following items:

- a) The Company impaired the goodwill of \$4.34 million from the acquisition of Marapharm Inc. in the quarter ended March 31, 2015 due to the uncertainty of future cash flows at the time.
- b) For the quarter ended June 30, 2015, share based compensation of \$0.52 million was recorded upon the vesting of stock options.
- c) Expenses were higher than average for the quarter ended March 31, 2016 primarily due to higher consulting fees, stock based compensation of \$0.37.
- d) Beginning in June 2016 the Company to recognize rental and consulting income from its Washington State operations.
- e) For the quarter ended December 31, 2016, the increase in costs is primarily due to restatement adjustments as discussed in this amended and restated MDA and amended and restated financial statements for the period ended December 31, 2016. The largest restatement is due to the expense of previously reported prepaid expenditures to stock promotion and investor relations expenses and to consulting fees.

Liquidity and Capital Resources

As of December 31, 2016, the Company had net working capital of \$4,040,703 compared to \$245,330 as at December 31, 2015 and cash of \$3,718,515 (\$3,081 – 2015). The Company is dependent upon ongoing positive operations, debt and equity funding to support operating expenditures for the following year.

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

The Company experienced a net increase of \$3.46 million in its cash position for the nine month period due to net financing receipts of \$8.03 million offset with purchases of fixed assets and investments of \$1.75 million and cash used in operations of \$2.82 million.

Below are discussions related to the Company's capital activities:

a) Authorized Share Capital

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

b) Issued and Outstanding Common Shares

As at December 31, 2016, the Company had 68,094,503 common shares issued and outstanding as presented in the consolidated statements of changes in shareholders' equity.

i) Shares Issued for Cash in 2016

On September 25, 2015, the Company issued 1,100,000 units at \$0.37 per unit for total gross proceeds of \$407,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.37 until March 25, 2016 (subsequently extended until March 25, 2017). The Company issued 110,000 common shares with a fair value of \$40,700 for finders' fees.

On October 13, 2015, the Company issued 737,500 units at \$0.40 per unit for total gross proceeds of \$295,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.45 until October 13, 2016. The Company allocated \$14,750 of the proceeds to warrants reserve under the residual method. The Company issued 61,250 common shares and 61,250 warrants with a total fair value of \$23,275 for finders' fees.

On November 10, 2015, the Company issued 613,750 units at \$0.40 per unit for total proceeds of \$245,500. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.45 until November 10, 2016. The Company allocated \$6,137 of the proceeds to warrants reserve under the residual method. The Company issued 61,375 common shares and 47,500 warrants with a total fair value of \$23,936 for finders' fees.

ii) Shares Issued for Cash in 2017

On April 14, 2016, the Company issued 2,640,000 units at \$0.20 per unit for total gross proceeds of \$528,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.40 until April 14, 2017. The Company issued 89,000 common shares with a fair value of \$17,800 and 379,000 finders' warrants with a fair value of \$23,783 for finders' fees. As at March 31, 2016, the Company received \$443,000 in share subscriptions prior to the closing of the private placement.

On June 16, 2016, the Company issued 2,817,500 units at \$0.20 per unit for total gross proceeds of \$563,500. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.40 until June 16, 2017. The Company issued 47,500 common shares with a fair value of \$9,500 and 226,000 finder's warrants with a fair value of \$11,924 for finders' fees.

On September 6, 2016, the Company issued 10,866,250 units at \$0.20 per unit for total proceeds of \$2,173,250. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.40 until September 6, 2017. The Company issued 352,500 common shares with a fair value of \$70,500 and 1,022,500 finder's warrants with a fair value of \$130,135 for finders' fees.

iii) Shares Issued for Intangible Assets

During the nine months ended December 31, 2016, the Company issued a total of 1,172,814 common shares with a fair value of \$594,855 (US\$451,616) for the acquisition of Econeveda.

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

iv) Shares Issued for Services

During the nine months ended December 31, 2016, the Company issued 275,000 common shares with a fair value of \$179,360 to arm's length parties for marketing and investor relations services, of which \$179,390 was related to services provided and expensed in the year ended March 31, 2016.

During the nine months ended December 31, 2016, the Company issued 2,196,298 common shares with a fair value of \$1,708,312 to related parties for marketing and investor relations services.

v) Shares Issued for Debt

During the nine months ended December 31, 2016, the Company issued 188,702 common shares with a fair value of \$137,752 to settle an outstanding loan. Included in the amount was \$102,808 in principal and \$34,944 in interest.

vi) Shares Issued on Exercise of Warrants

During the nine months ended December 31, 2016, Company issued a total of 8,943,580 common shares upon the exercise of warrants for total gross proceeds of \$5,849,310, and 108,750 common shares upon the exercise of finders' warrants for total gross proceeds of \$35,600.

vii) Shares Issued on Exercise of Stock Options

During the nine months ended December 31, 2016, the Company issued a total of 250,000 common shares upon the exercise of options for total gross proceeds of \$100,000.

c) Share Purchase Warrants

The continuity of warrants for the nine months ended December 31, 2016 is as follows:

Expiry Date	Exercise Price	March 31, 2016	Issued	Exercised	Expired/ Cancelled	December 31, 2016
October 13, 2016	\$0.45	737,500	-	737,500	-	-
November 6, 2016 ⁽¹⁾	\$0.75	1,657,000	-	1,247,000	410,000	-
November 10, 2016	\$0.45	613,750	-	613,750	-	-
December 9, 2016 ⁽²⁾	\$0.75	4,940,330	-	4,003,330	937,000	-
January 19, 2017 ⁽³⁾	\$0.75	5,059,670	-	1,152,000	-	3,907,670
March 25, 2017 ⁽⁴⁾	\$0.37	1,100,000	-	50,000	-	1,050,000
April 14, 2017	\$0.40	-	2,640,000	515,000	-	2,125,000
June 16, 2017	\$0.40	-	2,817,500	225,000	-	2,592,500
September 6, 2017	\$0.40	-	10,866,250	500,000	-	10,366,250
		14,108,250	16,323,750	8,943,580	1,347,000	20,041,420

The continuity of warrants for the nine months ended December 31, 2015 is as follows:

Expiry Date	Exercise Price	March 31, 2015	Issued	Exercised	Expired/ Cancelled	December 31, 2015
October 13, 2016	\$0.45	-	737,500	-	-	737,500
November 6, 2016 ⁽¹⁾	\$0.75	1,657,000	-	-	-	1,657,000
November 10, 2016	\$0.45	-	613,750	-	-	613,750
December 9, 2016 ⁽²⁾	\$0.75	4,940,330	-	-	-	4,940,330
January 19, 2017 ⁽³⁾	\$0.75	5,059,670	-	-	-	5,059,670
March 25, 2017 ⁽⁴⁾	\$0.37	-	1,100,000	-	-	1,100,000
		11,657,000	2,451,250	-	-	14,108,250

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

- (1) On October 19, 2015, the Company extended the exercise date of the share purchase warrants from November 6, 2015 to November 6, 2016.
- (2) On November 26, 2015, the Company extended the exercise date of the share purchase warrants from December 9, 2015 to December 9, 2016.
- (3) On January 7, 2016, the Company extended the exercise date of the share purchase warrants from January 19, 2016 to January 19, 2017.
- (4) On March 16, 2016, the Company extended the exercise date of the share purchase warrants from March 25, 2016 to March 25, 2017.

d) Finders' Warrants

The continuity of finders' warrants for the nine months ended December 31, 2016 is as follows:

Expiry Date	Exercise Price	March 31, 2016	Issued	Exercised	Expired/ Cancelled	December 31, 2016
October 13, 2016	\$0.45	61,250	-	61,250	-	-
November 10, 2016	\$0.45	47,500	-	47,500	-	-
January 19, 2017	\$0.75	10,000	-	-	-	10,000
April 14, 2017	\$0.40	-	379,000	-	-	379,000
June 17, 2017	\$0.40	-	226,000	-	-	226,000
September 16, 2016	\$0.40	-	1,022,500	-	-	1,022,500
		118,750	1,627,500	108,750	-	1,637,500

The continuity of finders' warrants for the nine months ended December 31, 2015 is as follows:

Expiry Date	Exercise Price	March 31, 2015	Issued	Exercised	Expired/ Cancelled	December 31, 2015
October 13, 2016	\$0.45	-	61,250	-	-	61,250
November 10, 2016	\$0.45	-	47,500	-	-	47,500
January 19, 2017	\$0.75	10,000	-	-	-	10,000
		10,000	108,750	-	-	118,750

e) Stock Options

Under the Company's stock option plan, the maximum number of shares that may be reserved for issuance is limited to 10% of the issued and outstanding common shares of the Company at the time of grant. Under the plan, the exercise price of an option may not be less than the closing market price of the Company's shares prevailing on the day that the option is granted. The options may have a maximum term of 5 years and be vested at the discretion of the board of directors.

As at December 31, 2016, 4,075,000 options, with an average exercise price of \$0.61 per share and an average remaining life of 0.69 years, have been vested.

Expiry Date	Exercise Price	March 31, 2016	Granted	Exercised	Expired/ Cancelled	December 31, 2016
March 8, 2017	\$0.93	-	275,000	-	-	275,000
May 8, 2017	\$0.50	2,000,000	-	-	600,000	1,400,000
September 16, 2017	\$0.50	200,000	-	-	-	200,000
September 24, 2017	\$0.50	1,275,000	-	-	850,000	425,000
November 8, 2017	\$0.93	-	220,000	-	-	220,000

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

September 9, 2018	\$0.40	-	925,000	250,000	-	675,000
November 8, 2018	\$0.93	-	430,000	-	-	430,000
November 8, 2018	\$1.00	-	350,000	-	-	350,000
December 15, 2020	\$0.50	100,000	-	-	-	100,000
		3,575,000	2,200,000	250,000	1,450,000	4,075,000

As at December 31, 2015, 3,575,000 options, with an average exercise price of \$0.50 per share and an average remaining life of 1.4 years, have been vested.

Expiry Date	Exercise Price	March 31, 2015	Granted	Exercised	Expired/Cancelled	December 31, 2015
May 8, 2017	\$0.50	-	2,000,000	-	-	2,000,000
September 16, 2017	\$0.50	-	200,000	-	-	200,000
September 24, 2017	\$0.50	-	1,275,000	-	-	1,275,000
December 15, 2020	\$0.50	-	100,000	-	-	100,000
		-	3,575,000	-	-	3,575,000

f) Stock-Based Compensation

During the nine months ended December 31, 2016, the Company recognized stock based compensation expense of \$450,266 (2016 – \$826,069) for 2,200,000 stock options (2016 – 3,575,000) that were granted and vested in the period. These options have a weighted average fair value of \$0.19 per option (2016 – \$0.31) as determined on the date of grant.

During the year ended March 31, 2016, the Company recognized stock based compensation expense of \$97,800 (2016 – \$Nil) in share issuance costs for 489,000 finders' warrants (2016 – 108,750) granted in the year. These options have a weighted average fair value of \$0.10 per option (2016 – \$Nil) as determined on the date of grant.

The fair values of stock options and finders' warrants granted have been estimated using the Black Scholes option pricing model with the following assumptions made during the nine months ended December 31, 2016 and 2016:

	December 31 2016	March 31 2016
Risk-Free Annual Interest Rate	0.45% – 0.53%	0.58%
Expected Stock Price Volatility	107% – 158%	125%
Expected Life of Options and Warrants	0.30 – 0.5 years	2.09 years
Expected Annual Dividend Yield	0%	0%

Option pricing models require the input of highly subjective assumptions. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models may not necessarily provide a single reliable measure of the fair value of the Company's stock options, finders' warrants, and finders' unit warrants.

Capital Disclosure

The Company considers its capital structure to include net residual equity of all assets, less liabilities. Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2016, the Company's shareholders' equity was \$7,791,916 (March 31, 2016 - \$306,893) and it had current liabilities of \$379,136 (March 31, 2016 - \$483,001). Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management has invested its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed.

The capital for operations was mostly from proceeds from the issuance of common shares and warrants exercised into common shares.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than reported in the accompanying notes to the financial statements as at December 31, 2016 or as of the date of this report.

Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described as follows.

a) Related Party Balances

As at December 31, 2016 and March 31, 2016, the Company has the following amounts due from (to) related parties that are non-interest bearing, unsecured, and have no specified terms of repayment.

	December 31 2016 \$	March 31 2016 \$
Due from Related Party		
Due from Pinto Ventures Inc., a company controlled by Brian Lovig.	456,983	145,863
Due to Related Party		
Due to Linda Sampson, CEO, for Services and Expense Reimbursements	81,954	64,078
Trade and Other Payables		
Directors' Fees	9,000	-

b) Compensation of Key Management Personnel

The compensation paid or payable to Directors and Officers of the Company included consulting, management, and directors' fees for administrative and management services, and 1,400,000 stock options (2016 – 2,400,000) granted to these related parties.

	December 31 2016	December 31 2015
Consulting Fees	68,927	-
Directors' Fees	3,250	13,500
Management Fees	90,000	135,000
Stock-Based Compensation	326,812	572,569
	683,989	721,069

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

Compensations and Transactions with a Related Party

	\$	\$
Consulting Services (i)	270,000	270,000
Shareholder and Investor Relations Services (ii)	1,708,312	-
Finder's Warrants (iii)	73,404	-
Office Rent (iv)	45,000	45,000
	2,096,716	315,000

The Company has the following related party transactions with companies controlled by a shareholder of the Company who has been appointed as the Interim President of the Company in June 2017. As at December 31, 2016, an amount of \$456,983 (2016 – \$145,863) was owed to the Company by the shareholder.

i) Consulting Services

On January 30, 2014, the Company entered into a consulting agreement with Pinto Ventures Inc., a company controlled by Brian Lovig for consulting services. During the nine months ended December 31, 2016, the Company paid consulting fees totaling \$270,000 (2015 – \$270,000).

ii) Shareholder and Investor Relations Services

During the nine months ended December 31, 2016, the Company entered into consulting agreements with companies controlled or directed by Brian Lovig, for shareholder and investor relations services. The Company issued a total of 2,196,298 common shares with a fair value of \$1,708,312 for services provided by Pinto Ventures Inc., Pioneer Ventures Inc., Solar Properties Ltd. and Hilltop Business Center Ltd.

iii) Finder's Warrants

In connection with the private placement completed in September 6, 2016, the Company issued 576,750 finder's warrants to Brian Lovig. Each warrant was exercisable for one common share of the Company at \$0.40 per share for a term of one year. The fair value of these warrants of \$73,404, as determined using the Black-Scholes option pricing model (Note 12(f)), was recorded in share issuance costs.

iv) Office Lease Arrangement

During the nine months ended December 31, 2016, the Company paid rent totaling \$45,000 (2016 – \$60,000) to Givol Trust, an entity related to Brian Lovig for the rental of an office space used as the Company's head office.

v) Acquisition of Econeveda LLC

During the nine months ended December 31, 2016, the Company purchased a 75.5% interest in Econeveda LLC from Pinto Ventures Inc. for US\$711,125 (Note 9(b)). The Company paid US\$375,000 in cash and issued 1,072,813 common shares with a fair value of US\$336,126.

vi) Property Lease Arrangement

On July 15, 2014, the company entered into a lease agreement with 11.2 Acre Holding Company Ltd., a company related to Brian Lovig to lease up to a maximum of 11.2 acres in the Kelowna, B.C. area for a term of ten years with an option to renew for another ten years. Annual base rent is \$15,000 per acre used by the Company plus a percentage rent equal to 6% of the Company's gross revenue from business conducted at the leased premises. The property is secured as the location of the Company's future production facility once the medical marijuana application is approved by Health Canada. No rent was charged to the Company pursuant to this lease arrangement in the nine months ended December 31, 2016 and 2015.

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed to by the related parties.

Critical Accounting Estimates

During the period ended December 31, 2016, the Company had some accounting estimates. For detailed descriptions of significant accounting policies, readers are directed to the financial statements for the years ended March 31, 2017 and 2016 available at www.sedar.com.

Changes in Accounting Policies

Accounting standards, amendments and interpretations not yet effective

The following standards and interpretations have been issued but are not yet effective:

- IFRS 9: Financial Instruments: Classification and Measurement
- IFRS 15: Revenue from Contracts with Customers
- IFRS 16: Leases

Other accounting standards, amendments and interpretations to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Instruments and other Instruments

Under IFRS, a three-level hierarchy that reflects the significance of inputs used in making fair value adjustments is required. The three-levels of fair value hierarchy are as follows:

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 and liability either directly or indirectly.

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash and cash equivalents, trade payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Outstanding Shares

As at the date of this MD&A, the Company had the following outstanding:

- 85,250,436 common shares
- 7,727,750 share purchase warrants
- 1,019,250 finders' warrants
- 6,875,000 share options

**MARAPHARM VENTURES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

Critical Risks and Uncertainties

Operating History

The Company does not have a record of achievement to be relied upon. The Company's operations are subject to all the risks inherent in the establishment of a new business enterprise, including a lack of operating history. The Company cannot be certain that its investment strategy or development of the Company's business will be successful. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Company fails to address any of those risks or difficulties adequately, business will likely suffer.

Competition

The earnings of the Company depend upon the Company's ability to further develop their facilities into efficient, effective growing, cultivating and harvesting operations. The growth strategy will be to branch out into other areas where there are opportunities to build facilities and acquire licenses. The legalization of cannabis continues to expand into more and more areas whereby the Company must be poised to take advantage of these emerging markets.

Other Matters

Legal proceedings:

On August 4, 2016, Armadillo Resources Ltd., a company related to the Company's former President and Chief Executive Officer and director, Mr. Les Kjosness, filed a small claims court notice of claim against the Company claiming unpaid office expense and fees totaling \$16,176. The financial effect of this claim is not determinable at this time, however, the Company considers the claim to be frivolous, immaterial and will aggressively defend the action.

Contingent liabilities:

At the date of MD&A, management was unaware of any outstanding contingent liabilities relating to the Company's activities.

Management's Report on Internal Control over Financial Reporting

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and the audited financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

Additional Information

Additional disclosure of the Company's, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com, or by requesting further information from the Company's head office in Vancouver BC Canada.