MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018

48NORTH CANNABIS CORP.
Management's Discussion and Analysis of Financial Condition and Results of Operations
For the three months ended September 30, 2018

This management discussion and analysis of the financial condition and results of operations ("MD&A") of 48North Cannabis Corp. ("Company" or "48North"), is for the three months ended September 30, 2018 and is dated November 26, 2018. The MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the accompanying notes for the three months ended September 30, 2018.

This MD&A provides information that the management of the Company believes is important to assess and understand the results of operations and financial conditions of the Company. All amounts are presented in Canadian dollars, unless otherwise noted. The Company's condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Additional information filed by us with the Canadian Securities Administrators, including quarterly reports, annual reports and annual information forms are available on-line at www.sedar.com.

Forward-Looking Statements
This MD&A may contain statements that are "forward-looking statements". These include statements about the Company's expectations, beliefs, plans, objectives and assumptions about future events or performance. These statements are often, but not always, made through the use of words or phrases such as "will likely result", "are expected to", "will continue", "anticipate", "believes", "estimate", "intend", "plan", "would", and "outlook" or statements to the effect that actions, events or results "will", "may", "should" or "would" be taken, occur or be achieved. Forward-looking statements are not historical facts, and are subject to a number of risks and uncertainties beyond the Company's control. Accordingly, the Company's actual results could differ materially from those suggested by these forward-looking statements for various reasons discussed throughout this analysis. Forward-looking statements are made on the basis of the beliefs, opinions and estimates of the Company's management on the date the statements are made and the Company does not undertake any obligation to update forward-looking statements if the circumstances or management's beliefs, opinions or estimates should change. Readers should not place undue reliance on forward-looking statements.

Corporate Information
48North, formerly Kramer Capital Corp., currently has one wholly owned subsidiary, 48North Amalco Ltd. ("Amalco"). The Company, through DelShen Therapeutics Corp. ("DelShen"), a wholly-owned subsidiary of Amalco, is licensed to produce and sell medical cannabis pursuant to the *Cannabis Act* (prior to October 17, 2018 DelShen was licensed under the *Access to Cannabis for Medical Purposes Regulations* ("ACMPR")). The head office, principal address, and records office are located at 243 Queen Street West, Suite 200, Toronto, Ontario, Canada, M5V 1Z4. 48North is a publicly traded corporation, incorporated in Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV"), under the trading symbol "NRTH".

The Company was incorporated under the laws of Alberta on October 29, 2010, and continued into British Columbia in August 2016. The principal business of the Company at that time was to identify and evaluate business or assets with a view to completing a qualifying transaction ("Qualifying Transaction") under relevant policies of the TSXV. The Company had one wholly owned subsidiary, 2622752 Ontario Inc. ("752OI"), which was incorporated with the sole purpose of facilitating a future Qualifying Transaction.

On June 5, 2018, the Company completed its Qualifying Transaction with 2558107 Ontario Inc. (doing business as 48North Cannabis Corp.) ("48N"). As part of the Qualifying Transaction, the Company completed a continuance from the Business Corporations Act (British Columbia) to the *Canada Business Corporations Act*, changed its name to 48North Cannabis Corp. and consolidated its 1,775,000 shares on a 2 to 1 basis to 887,500 common shares. Following this change, 752OI amalgamated with 48N which resulted in the formation of Amalco. In connection with that amalgamation, Amalco acquired all of the issued and outstanding shares of 48N and the former shareholders and convertible debenture holders of 48N were issued a total of 76,930,037 post-consolidation common shares of the Company. Immediately following that amalgamation, 48North had a total 77,817,537 common shares outstanding.

Upon closing of the Qualifying Transaction, the shareholders of 48N owned 98.9% of the common shares of the Company and as a result, the Qualifying Transaction is considered a reverse acquisition of the Company by 48N. For accounting purposes 48N is considered the acquirer and the Company is considered the acquiree. Accordingly, the consolidated financial statements are in the name of 48North Cannabis Corp., however they are a continuation of the financial statements of 48N.

48N was incorporated on January 26, 2017 as 2558107 Ontario Inc. under the laws of the Province of Ontario and on December 14, 2017, changed its name to 48North Cannabis Corp. On July 1, 2017, 48N completed a corporate reorganization with DelShen. Each common share of DelShen was exchanged for one common share of 48N and DelShen became a wholly owned subsidiary of 48N. The Company's financial statements reflect the historical operations of DelShen. Prior to the reorganization, 48Nwas a shell company with no operations. The Health Canada license pursuant to the ACMPR remained with DelShen. On June 1, 2018 the name was changed back to 2558107 Ontario Inc.

Business Overview

48North is a vertically integrated cannabis company. Its Cannabis Act licensed facility is located on 800 acres of owned land near Kirkland Lake, Ontario, and is operated by its wholly-owned subsidiary, DelShen. DelShen is a licensed producer of cannabis for medical purposes pursuant to the Cannabis Act. The Company has started to grow unique genetics sourced from MariPharm B.V., a Netherlands based phytopharmaceutical company with over 25 years of experience in the research and cultivation of cannabis for medical purposes. The genetics are grown to exacting standards in DelShen's state-of-the-art, closed box, 40,000 square foot facility.

On February 28, 2017, Health Canada granted the Company's DelShen facility a Cultivation License and subsequently extended the expiry of the license to February 26, 2021. DelShen planted its first two cannabis crops ("Initial Crops") in June 2017 and harvested the Initial Crops in November 2017. The Initial Crops were submitted to Health Canada for testing. DelShen's license to sell ("Sales License") was granted on June 22, 2018 under the ACMPR and is valid until February 26, 2021. The Company was granted a Sales License on June 22, 2018 and on September 13, 2018, Health Canada granted the Company an extraction license.

As at June 30, 2018 the Company had no revenues from the sale of medical cannabis. During Q1 of fiscal 2019, the Company began selling to cannabis to other licensed producers.

The Company's business is focused on Canada. It is a policy of the Company that the Company will not invest, directly or indirectly, in any business that derives revenue from the sale of cannabis or cannabis products in the United States or in any other jurisdiction where the sale of cannabis is federally unlawful.

On February 28, 2018, Kramer Capital Corp. ("Kramer") and the Company signed an Acquisition Agreement, pursuant to which Kramer acquired 100% of the issued and outstanding securities of the Company in exchange for the issuance by Kramer of economically equivalent securities to the former securityholders of the Company. Kramer was a Capital Pool Corporation and a reporting issuer on the TSXV. The acquisition of the Company by Kramer constituted a Qualifying Transaction under relevant policies of the TSXV. On June 5, 2018, the Exchange approved the Qualifying Transaction. On June 11, 2018, the Company stared trading on the Exchange under the symbol "NRTH".

48North continues to invest significant time, effort, capital and resources in activities related to the Canadian recreational cannabis market. These investments cover the Company's entire business operations including cultivation, production, marketing, sales and general administration. With the passing of Bill C-45 (*Cannabis Act*) on June 19, 2018 and the roll out of the recreational market on October 17, 2018, the Company believes the selling of its cannabis production to other licensed producers will provide the Company with revenues until such times as ancillary product offering, such as edibles, cosmetics, and health and wellness products are able to be sold into the Canadian market.

Results of Operations

During the three months ended September 30, 2018 the Company generated revenues of $1,271,544 (2017 - $0) through wholesale agreements with other licenced producers. With legalization occurring on October 17, 2018, the Company believes that, for the short term, sales to other licensed producers provides better revenues net of sales costs per gram than can be obtained through the retail market.

The Company started growing plants and expanded production during the year ended June 30, 2018. Production costs for the three months ended September 30, 2018 were $406,834 (2017 – $47,915). Unrealized fair value adjustment on growth of biological assets were $(1,297,075) for the three months ending September 30, 2018 ($nil for comparative 2017). This adjustment represents the increase in value of plants during the quarter.

The Company has recorded the cost of its Initial Crops as production costs and is growing additional plants. Prior to the Company receiving its sales license on June 22, 2018, all inventories and biological assets were valued at zero.

During Q1 2019, the Company entered into a supply agreement with 2599708 Ontario Inc. ("Good & Green") whereby 48North paid Good & Green $1,500,000 in exchange for 6,000 kilograms of organically sun-grown, dried cannabis, as permitted under the *Cannabis Act*, for use in extraction, to be delivered on or before December 31, 2019. The Company has recorded the $1,500,000 payment as prepaid assets on the balance sheet. Subsequent to quarter end, 48North entered into a binding agreement to acquire 100% of the issued and outstanding common shares of Good & Green. Consideration for the acquisition will be the issuance of 24,657,534 of the Company's common shares.

General and administrative expenses were $1,171,029 for the three months ended September 30, 2018 compared to $1,161,850 for the similar period in 2017. Salaries and benefits expense for the three months ended September 30, 2018 increased to $713,516 from the $515,783 incurred in the similar period ended September 30, 2017. In addition, production costs during Q1 of 2018 include an additional $182,548 (2017 - $nil) of wages that have been allocated as direct labour production costs. The total expense associated with salaries and benefits therefore increased by $380,281 year over year, which reflects additional staffing required to facilitate significant production increases along with additions to the corporate team.

Earnings before interest, tax, depreciation and amortization, and stock-based compensation expense ("EBITDAO") for the three months ended September 30, 2018 was $606,570 compared to $(1,260,697) for the similar period in 2017. EBITDAO is a non-IFRS measure and defined as earnings before interest, tax, depreciation and amortization, and stock-based compensation expense, and is not a recognized measure for financial statement presentation under IFRS. EBITDAO is not intended to be considered as an alternative to net earnings, cash flow from operations, or any other measure of performance prescribed by IFRS. The Company's EBITDAO may also not be comparable to EBITDAO used by other companies, which may be calculated differently. The Company considers EBITDAO to be a meaningful measure to assess its operating performance in addition to standardized IFRS measures. It is included because the Company believes it can be useful in measuring its ability to fund capital expenditures and expand its business.

The Company utilized incentive stock options to attract and maintain key personnel, increasing the stock-based payments expense to $1,305,646 for the three months ended September 30, 2018 from $219,623 for the three months ended September 30, 2017. Stock-based payments was valued using the Black-Scholes valuation model and represents a non-cash expense.

Depreciation for the three months ended September 30, 2018 was $312,078 compared to $177,578 for the there months ended September 30, 2017.

The Company incurred a net and comprehensive loss of $1,011,154 and $1,657,898 for the three months ended September 30, 2018 and 2017, respectively. At September 30, 2018, the Company had an accumulated deficit of $27,236,135.

The following table sets forth, for the quarter indicated, information relating to the Company's revenue, net loss and loss per common share for the eight most recently completed fiscal quarters.

	Revenues $	Net Loss $	Basic and Diluted Net Loss / Share $
December 31, 2016	nil	(1,927,313)	(0.053)
March 31, 2017	nil	(1,783,379)	(0.044)
June 30, 2017	nil	(2,588,588)	(0.064)
September 30, 2017	nil	(1,657,898)	(0.029)
December 31, 2017	nil	(2,058,831)	(0.036)
March 31, 2018	nil	(3,402,998)	(0.058)
June 30, 2018	nil	(5,300,604)	(0.096)
September 30, 2018	1,271,544	(1,011,154)	(0.013)

Construction of the Facility

Construction of the Facility was substantially completed in June 2017, and the Company planted the Initial Crops in June 2017. The Company transferred the assets on the statement of financial position from construction in progress to property, plant and equipment, reflecting a capitalized expenditure for the facility of approximately $12.5 million.

Liquidity and Capital Resources

On January 26, 2018, the Company completed a $16,010,000 brokered private placement of units ("Unit") at a price of $1,000 per unit. Each Unit was comprised of one senior unsecured convertible debenture with a principal amount of $1,000 (each a "Debenture") and 556 common share purchase warrants (each a "Warrant"). Each Warrant will entitle the holder thereof to acquire one common share in the capital of the Company at a price of $1.15 for a period of 24 months following the completion of a listing by the Company on a recognized Canadian stock exchange. On June 5, 2018 the Debentures were automatically converted into common shares at a price of $0.90 per share with the completion of a listing by the Company on a recognized Canadian stock exchange (Transaction"). The Company issued compensation options to the brokers to purchase 1,245,222 Compensation Units. Each Compensation Option is exercisable to purchase one unit of 48North ("Compensation Unit") at an exercise price of $0.90 until June 5, 2020, with each Compensation Unit being comprised of one 48North Common Share and one-half of one Unit Warrant. Each full Unit Warrant will entitle the holder thereof to acquire one common share in the capital of the Company at a price of $1.15 for a period of 24 months following the completion of the Transaction.

The Company continually monitors its capital resources to assess the liquidity necessary to fund operations and future strategy. As at September 30, 2018 the Company had a cash and cash equivalents balance of $9,815,083. The Company anticipates it will require additional funding to finance future growth and expansion of production capacity, to expand marketing awareness for the Company's brands and products and to look for acquisition opportunities. The Company has historically financed its working capital requirements primarily through equity and debt financings. The Company's ability to continue as a going concern is dependent upon being able to sell cannabis to other licensed producers, sell into the medical and recreational markets, provide products and brands to the women's health and wellness market place and thus, its ability to commence profitable operations, generate revenues there from and raise additional financing as needed to meet its obligations. While the Company has been successful in raising financing in the past, there is no assurance that it will be able to successfully obtain additional financing as needed. These factors cast significant doubt on the ability to continue as a going concern.

Subsequent to quarter end, on October 30, 2018 the Company announced a financing for minimum gross proceeds of $10,000,000 through the issuance of preferred units ("Preferred Units") and common share units ("Common Unit"). The Preferred Shares will be convertible into Common Shares of the Company and will rank *parri passu* with the Common Shares in all respects, other than the holder's right to redeem at par if certain provisions concerning confidentiality and restrictions against unlawful U.S. operations are breached by 48North. Additional information with respect to the Preferred Shares will be provided in the meeting materials to be delivered to shareholders of the Company in connection with the annual and special meeting of shareholders on January 7, 2018. Each Common Unit will be comprised of one Common Share and one quarter Common Share Purchase Warrant (each whole Common Share Purchase Warrant, a "Common Warrant"). Each full Common

Warrant will entitle the holder to acquire an additional Common Share of 48North for a period of 12 months from the date of issue at a strike price of $1.15, provided that, the expiry of the warrants can be accelerated if the closing price of the company's common shares on the TSX Venture Exchange ("TSXV") is at least $1.50 for a minimum of 10 consecutive trading days and a notice of acceleration is provided in accordance with the terms of the warrant, may accelerate the expiry date to the warrants to a date 30 days after the date of the notice.

Related party transactions
The aggregate value of transactions relating to key management personnel for the three months ended September 30, 2018 were as follows:

Three months ended	September 30, 2018	September 30, 2017
Consulting, salaries and wages	$283,545	$229,772
Share-based payments	$1,203,519	$201,281
	$1,487,064	$431,052

Off-Balance Sheet Arrangements
The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect upon its results of operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

Use of Estimates and New Accounting Standards
The Company's significant accounting policies under IFRS are contained in note 4 of the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2018 and 2017. Certain of these policies require management 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 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 unaudited condensed interim financial statements relate to going concern assumptions, the estimated useful lives and depreciation of property, plant and equipment, valuation of convertible instruments and share-based payments and fair value measurements for inventory and biological assets.

Summary of Outstanding Share Data
The authorized capital of the company consists of an unlimited number of common shares. As of the date of this MD&A, the Company had the following securities issued and outstanding:

Securities	Number
Shares	81,122,536
Warrants	30,997,926
Broker compensation units (underlying shares)	1,867,833
Options	13,030,000
Total Outstanding	127,018,295

New Accounting Pronouncements
Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. Updates that are not applicable or are not consequential to the Company have been excluded.

IFRS 9 – Financial Instruments ("IFRS 9")
IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. IFRS

9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 is effective for accounting periods beginning on January 1, 2018. The Company adopted IFRS 9 on July 1, 2018. The adoption of this standard did not have an impact on the Company's condensed interim consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")
IFRS 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with a customer, regardless of type of revenue transaction or the industry. IFRS 15 will also apply to the recognition and measurement of gains and losses on sale of certain non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company adopted IFRS 15 on July 1, 2018. The adoption of this standard did not have an impact on the Company's condensed interim consolidated financial statements.

The following is the Company's revenue recognition policy in accordance with IFRS 15:

> Revenue is recognized at the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Company's contracts with customers for the sales of dried cannabis include one performance obligation. The Company has concluded that revenue from the sale of these products should be recognized at the point in time when control of the assets is transferred to the customer, which is on shipment or delivery, depending on the contract. For wholesale sales to other licensed producers, 50% payment is due prior to transfer of control and 50% net 30 days.

IFRS 16 – Leases ("IFRS 16")
IFRS 16 was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS17 – Leases. The IAS issued its standard as part of a joint project with the Financial Accounting Standards Board ("FASB"). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 – Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. The Company is still in the process of assessing the impact of this pronouncement.

IFRIC 23 Uncertainty over income tax treatments ("IFRIC 23")
IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income Taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 will be effective for the Company's fiscal year beginning on January 1, 2019. The Company will adopt this interpretation as of its effective date. The Company is currently assessing the impact of the adoption of this standard on its unaudited condensed interim consolidated financial statements.

Financial instruments and risk management
The Company's financial instruments consist of cash and cash equivalents, other receivables, and accounts payable and accrued liabilities. Cash and cash equivalents are classified as fair value through profit or loss or Other Comprehensive loss and recorded at fair value. Other receivables and accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost or amortized cost less any impairment losses related to other receivable. T he fair value of cash and cash equivalents, accounts payable and accrued liabilities are equal to their carrying value due to their short-term maturity. Unless otherwise noted,

it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of arms-length financial instruments approximates their carrying value due to the relatively short-term to maturity.

Subsequent events

(i) On October 30, 2018 the Company announced that it had entered into a letter agreement to acquired 100% of the outstanding shares of 2599708 Ontario Inc. doing business as Good & Green ("Good and Green"), a licensed producer under the *Cannabis Act*. Consideration for the acquisition is the issuance of 24,657,534 of the Company's common shares. Of the 24,657,534 common shares, 13,652,968 shares will be held in escrow for eighteen months, and released 25% on TSXV approval and 25% equally at 6, 12 and 18 months after closing, and 7,351,598 shares will be held in escrow for twelve months, and released 33% on TSXV approval and 33% equally at 6 and 12 months after closing.

(ii) On October 30, 2018 the Company announced a financing for minimum gross proceeds of $10,000,000 through the issuance of preferred units ("Preferred Units") and common share units ("Common Unit"). The Preferred Shares will be convertible into Common Shares of the Company and will rank *parri passu* with the Common Shares in all respects, other than the holder's right to redeem at par if certain provisions concerning confidentiality and restrictions against unlawful U.S. operations are breached by 48North. Additional information with respect to the Preferred Shares will be provided in the meeting materials to be delivered to shareholders of the Company in connection with the annual and special meeting of shareholders on January 7, 2019. Each Common Unit will be comprised of one Common Share and one quarter Common Share Purchase Warrant (each whole Common Share Purchase Warrant, a "Common Warrant"). Each full Common Warrant will entitle the holder to acquire an additional Common Share of 48North for a period of 12 months from the date of issue at a strike price of $1.15, provided that, the expiry of the warrants can be accelerated if the closing price of the Company's common shares on the TSX Venture Exchange ("TSXV") is at least $1.50 for a minimum of 10 consecutive trading days and a notice of acceleration is provided in accordance with the terms of the warrant, may accelerate the expiry date to the warrants to a date 30 days after the date of the notice.

Risk Factors

The Company will be subject to certain risk factors. These risks include, but are not limited to, the following: (i) general business risk and liability; (ii) reliance on licenses; (iii) volatile market price for Resulting Issuer shares; (iv) reliance on facilities; (v) expansion of facilities; (vi) holding company status; (vii) limited operating history; (vii) history of net losses; (ix) third party transportation; (x) management of growth; (xi) reliance on management; (xii) conflicts of interest;; (xii) limited market for securities; and (xiv) liquidity risk. Please see "*Risk Factors*" in the Company's annual MD&A as filed on Sedar and dated September 17, 2018, for a more detailed description.

Risks Relating to the Medical Cannabis Industry

The Company is subject to certain risk factors in the medical cannabis industry. These risks include, but are not limited to, the following: (i) regulatory risks; (ii) environmental and employee health and safety regulations; (iii) changes in laws, regulations and guidelines; (iv) restrictions on sales and marketing; (v) competition; (vi) risks inherent in an agricultural business; (vii) vulnerability to rising energy costs; (viii) product liability; (ix) product recalls; and (x) operating risks and insurance coverage. Please see "*Risk Factors*" in the Company's annual MD&A as filed on Sedar and dated September 17, 2018, for a more detailed description.