

Trusted Brand 2016 Inc.

MANAGEMENT'S DISCUSSION & ANALYSIS FOR PERIOD ENDED SEPTEMBER 30, 2019

The following discussion and analysis should be read in conjunction with the September 30, 2019 Condensed Interim Financial Statements and the December 31, 2018 audited financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Corporation is available on SEDAR at www.sedar.com. The financial statements and financial data contained in this discussion and analysis is presented in accordance with IFRS.

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

DATE

This MD&A is dated November 29, 2019 and is in respect of the period ended September 30, 2019. The discussion in this management's discussion and analysis focuses on this period.

FORWARD LOOKING INFORMATION

The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Corporation statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements. The risks include those outlined under the "Risk Factors and Uncertainties" section of this MD&A and elsewhere in the Corporation's public disclosure documents.

DESCRIPTION OF TRUSTED BUSINESS AND OVERALL PERFORMANCE

Trusted Brand 2016 Inc. ("Trusted" or the "Corporation") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on March 4, 2016. The Corporation is a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of The TSX Venture Exchange (the "Exchange"). The Corporation proposes to identify and evaluate corporations, business or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares from trading. The Corporation has been evaluating various business opportunities that could become its Qualifying Transaction (as such term is defined in Exchange policies).

The Board of Directors has approved the grant of 101,200 options that have an exercise price of \$0.40 per Common Share. The Corporation has determined that exemptions from the various requirements of the TSX Venture Exchange Policy 5.9 are available for the grant of these Options. The Options are subject to TSX Venture Exchange acceptance and are expected to be granted at a future date when the Corporation is out of black out.

On December 10, 2018, the Corporation received notice from the Exchange that it must satisfy certain conditions by March 11, 2019, or it will be delisted from trading on the Exchange. The conditions require the Corporation to either:

- (i) complete its Qualifying Transaction by March 11, 2019; or
- (ii) receive shareholder approval to transfer the listing of its common shares to the NEX trading board of the Exchange and cancel up to 1,680,000 common shares held by the current directors and officers of the Corporation

On March 11, 2019, the Corporation received approval from its shareholders to transfer the listing of its common shares to the NEX trading board and cancel the common shares held by current directors and officers. The approval was granted subject to any extensions to the condition date set by the Exchange. On March 18, 2019, the Exchange provided an extension to the condition date from March 11, 2019 to April 1, 2019. Future extensions are subject to the discretion of the Exchange. As of the date of these condensed interim financial statements, the Corporation has not yet received notice from the Exchange regarding an additional extension to the condition date nor transfer of its listing to the NEX trading board.

On May 31, 2019, the Corporation entered into a definitive agreement with TheraCann International Benchmark Corporation ("TheraCann"), an arm's length private corporation. Pursuant to the agreement, the Corporation and 2172014 Alberta Ltd. a wholly owned subsidiary of TheraCann, intend to complete a business combination to form a new company which will continue as a wholly owned subsidiary of TheraCann (the "Transaction"). Pursuant to the proposed Transaction, the common shares of the Corporation will be consolidated on a basis of one (1) new common share for each existing 18.75 common shares of the Corporation. The current shareholders of the Corporation will hold approximately 1.32% of the outstanding Resulting Issuer Shares. It is anticipated that the completion of the Transaction will constitute the Corporation's Qualifying Transaction.

Pursuant to the Transaction, the parties intend to use their "commercially reasonable efforts" to cause TheraCann to complete a brokered private placement of up to \$15,000,000 Subscription Receipts. Each Subscription Receipt will entitle the holder thereof to receive one Unit consisting of one Resulting Issuer common share and one half (1/2) common share purchase warrant of the Resulting Issuer. Each whole Resulting Issuer Warrant will entitle the holder to acquire one (1) Resulting Issuer Share at a price equal to a 25% premium to the issue price for a period of 24 months following the closing date of the Transaction.

TheraCann has engaged Laurentian Bank Securities Inc. to act as lead agent in connection with the brokered private placement of Subscription Receipts. The agent will receive a cash commission equal to 7.0% of the aggregate gross proceeds of the Subscription Receipt Financing as well as an option to purchase up to an additional 7.0% of the number of Resulting Issuer Shares issued upon settlement and conversion of the Subscription Receipt Units.

The gross proceeds from the brokered private placement will be held in escrow until satisfaction of the escrow release conditions, including the confirmation that all conditions precedent to the Transaction, other than the release of the Escrowed Proceeds, have been satisfied. In the event that the Escrow Release Conditions are not met by the date which is three months from the closing date of the brokered private placement, the escrowed proceeds together with accrued interest thereon, shall be returned to the purchasers pro rata and the Subscription Receipts shall be automatically cancelled.

The Transaction is subject to the receipt of all necessary regulatory and shareholder approvals required by the Exchange, applicable corporate law, and the Corporation's shareholder's agreement, as well as, the satisfaction of conditions to closing as set out in the definitive agreement.

On September 19, 2019 - TRUSTED BRAND 2016 INC. (the "Corporation"), a capital pool company under Policy 2.4 of the TSX Venture Exchange (the "TSXV") announces, that its previously announce amalgamation agreement with Theracann International Benchmark Corporation ("Theracann") has been terminated by Theracann and the proposed business combination will not proceed. The Corporation will resume its process of identifying and evaluating businesses and assets with a view to completing a potential qualifying transaction pursuant to the TSXV's CPC Policy. As a capital pool

company, the Corporation is not permitted to carry on any business other than the identification and evaluation of assets or businesses for the purpose of completing a qualifying transaction under the TSXV's CPC Policy

SELECTED FINANCIAL INFORMATION

Selected Quarterly Statement of Operations Data

		September,30 2019	June,30 2019	March 31, 2019	
Expenses	\$	13,057	\$ 54,875	\$ 32,249	
Net loss for the period	\$	(13,057)	\$ (54,875)	\$ (32,249)	
Basic loss per share	\$	(0.00)	\$ (0.03)	\$ (0.02)	
		December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Expenses	\$	22,494	\$ 19,403	\$ 15,248	\$ 13,585
Net loss for the period	\$	(1,494)	\$ (19,403)	\$ (15,248)	\$ (13,585)
Basic loss per share	\$	(0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
		December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Expenses	\$	24,550	\$ 3,496	\$ 23,282	\$ 77,137
Net loss for the period	\$	450	\$ (3,496)	\$ (23,282)	\$ (77,137)
Basic loss per share	\$	0.00	\$ (0.00)	\$ (0.01)	\$ (0.04)
		December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Expenses	\$	193,343	\$ 1,770	\$ 3,265	\$ 3,625
Net loss for the period	\$	(193,343)	\$ (1,770)	\$ (3,265)	\$ (3,625)
Basic loss per share	\$	(1.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

Variances in net loss by quarter will reflect overall corporate activity and factors which do not recur each quarter, such as interest income on fluctuating cash balances, professional and regulatory fees related to evaluation of potential Qualifying Transactions.

RESULTS OF OPERATIONS

During period ended September 30, 2019 the Corporation incurred a loss of \$13,057 (September 30, 2018 - \$19,403). The loss primarily relates to professional fees of \$12,412 (September 30, 2018 - \$19,372) incurred during the evaluation of various business opportunities, and general and administrative expenses.

OUTSTANDING SHARE DATA

Common Shares

As at September 30, 2019 and the date of this MD&A, the Corporation had 3,962,900 (December 31, 2018 – 3,962,900) common shares issued and outstanding.

Pursuant to an escrow agreement dated as of May 3, 2016 among the Corporation, Computershare Trust Company of Canada and certain shareholders of the Corporation, 1,819,200 common shares, being issued and outstanding common shares prior to the completion of the initial public offering, plus shares acquired by principals pursuant to the initial public offering, have been deposited in escrow. Upon the

Corporation completing a Qualifying Transaction, as defined in Policy 2.4 of the Exchange, common shares held pursuant to the escrow agreement shall be released as to 10% of the total escrowed shares immediately following the issuance of the bulletin of the Exchange announcing final acceptance of the Qualifying Transaction and 15% of the total escrowed shares shall be released every six months commencing six months following the initial release.

ARBITRARY SHARE DATA

Common Shares issued upon the exercise of the Agent's options are restricted such that only 50% of the issued shares on exercise of such options may be sold prior to the Corporation completing a Qualifying Transaction.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Corporation had net working capital of \$223,048 (December 31, 2018 - \$323,229) comprised of cash less accounts payable and accrued liabilities, which management considers being sufficient for the Corporation to meet its ongoing obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Corporation, as part of its operations, carries financial instruments consisting of cash. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

FAIR VALUE

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash in trust is determined on level 1 inputs. The carrying amount of cash in trust approximates their fair value due to the short-term maturities of these items.

CREDIT RISK

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation believes it has no significant credit risk.

LIQUIDITY RISK

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Corporation had a cash balance of \$229,218 (December 31, 2018 - \$344,837) to settle future obligations.

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. The Corporation has no market risks.

CRITICAL ACCOUNTING ESTIMATES

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

The accounting estimates for share based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Corporation from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

RISK FACTORS AND UNCERTAINTIES

The business risk factors applicable to the Corporation have not materially changed since the prospectus dated June 13, 2016 and filed on www.sedar.com on September 9, 2016.

CAPITAL RISK MANAGEMENT

The Corporation defines capital as total equity which was \$223,048 at September 30, 2019 (December 31 2018 - \$323,229). Its principal source of cash is from the issuance of common shares. The Corporations capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Corporation 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 Corporation may attempt to issue new shares.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until the completion of a Qualifying Transaction.

OUTLOOK

The Corporation is currently working towards completing its proposed Qualifying Transaction with the targeted private company.

OTHER INFORMATION

The policies of the Exchange prohibit CPC's from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the directors and officers of the Corporation. Additional information about the corporation is available on SEDAR at www.sedar.com.