



**TREE OF KNOWLEDGE INTERNATIONAL CORP.
(Formerly COURTLAND CAPITAL INC.)**

FORM 2A LISTING STATEMENT

Dated June 28, 2018

**IN RESPECT OF THE PROPOSED REVERSE TAKEOVER
TRANSACTION INVOLVING A PLAN OF MERGER BETWEEN**

TREE OF KNOWLEDGE INC.

AND

COURTLAND MERGER SUB INC.

A WHOLLY OWNED SUBSIDIARY OF TREE OF KNOWLEDGE INTERNATIONAL CORP.

Neither the Canadian Securities Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Transaction described in this Listing Statement.

CAUTION REGARDING BUSINESS

Courtland has entered into the Merger Agreement to acquire all of the issued and outstanding shares of TOK, a corporation existing under the laws of the State of Nevada which derives revenues from the sale of products infused with cannabidiol ("CBD"), which is derived from industrial hemp. TOK's CBD products are permitted by state law and regulation when shown to be derived from industrial hemp. There is still uncertainty with respect to the legality products containing CBD. See "*Narrative Description of the Business – Regulatory Considerations – UNITED STATES REGULATORY OVERVIEW – United States Federal Law – Federal Regulation of Industrial Hemp – Ongoing and Future Uncertainty of Legal Status*".

Notwithstanding recent legislative and administrative developments and the different treatment accorded industrial hemp at the state level, cannabis (including CBD) continues to be categorized as a controlled substance under the *Controlled Substances Act* (the "CSA") in the United States and as such, may be in violation of federal law in the United States. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in the case of conflict between federal and state law, the federal law shall apply. See "*Narrative Description of the Business – Regulatory Considerations – Canadian Companies with U.S. Marijuana-Related Assets*".

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, involvement in cannabis businesses in the United States is subject to inconsistent legislation and regulation. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future business of TOK in the United States. As such, there are a number of risks associated with TOK's existing and future business in the United States.

There are a number of risks associated with the business of TOK. See section entitled "*Risk Factors*" for a detailed list of risk factors, including "*Reliance on Securing Agreements with Licensed Suppliers,*" "*U.S. Federal Laws,*" "*Regulation that may hinder TOK's ability to establish and maintain bank accounts,*" "*Product liability, operation risk*" and "*Negative publicity or consumer perception may affect the success of our business*".

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1. GLOSSARY OF GENERAL TERMS

In this Listing Statement, the following terms shall have the meaning ascribed thereto as set out below:

"**affiliate**" means an affiliated body corporate within the meaning of the *Business Corporations Act* (British Columbia);

"**BCBCA**" means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended from time to time;

"**business day**" means a day other than a Saturday or Sunday on which the principal commercial banks located in Vancouver, British Columbia are open for business during normal banking hours;

"**Canadian Facility**" means the existing and proposed facilities located at 633 Coronation Drive, Scarborough, Ontario, in which TOK intends to relocate its head office and which will initially consists of 8,000 square feet of space for a proposed laboratory and clean work space built to TOK's specifications, and which TOK will have an option to lease an additional 80,000 square feet for expansion purposes;

"**CBD**" means cannabidiol, the main non-psychoactive constituent of the cannabis plant, that is often infused in to other products for medical, therapeutic or other uses and typically consumed by means other than smoking, including but not limited to edible products, topical agents, dietary supplements, cosmetics, tinctures, vaporizers and drink additives;

"**Closing**" means the completion of the Transaction, which shall take place on the Closing Date at the offices of TingleMerrett LLP in Calgary, Alberta;

"**Closing Date**" means the date of Closing which is expected to be on or before June 30, 2018, or such later date as agreed to by Courtland and TOK;

"**Consolidation**" means the consolidation of the Courtland Common Shares on the basis of one new Courtland Common Share for every 49.16 Courtland Shares issued and outstanding.

"**CSE**" or "**Exchange**" means the Canadian Securities Exchange;

"**DEA**" means the Drug Enforcement Agency of the United States;

"**FDA**" means the Food and Drug Administration of the United States;

"**FinCEN**" means the Financial Crimes Enforcement Network, a bureau of the United States Department of the Treasury that collects and analyzes information about financial transactions in order to combat domestic and international money laundering, terrorist financing and other financial crimes;

"**FINRA**" means the Financial Industry Regulation Authority, a private corporation that acts as a self-regulatory organization (SRO). FINRA is the successor to the National Association of Securities Dealers, Inc. (NASD) and the member regulation, enforcement and arbitration operations of the New York Stock Exchange;

"**Courtland**" means Courtland Capital Inc., a corporation incorporated under the laws of the Province of British Columbia, a company that changed its name to Tree of Knowledge International Corp. on June 5, 2018;

"**Courtland's Financial Statements**" means the audited financial statements of Courtland as at and for the years ended March 31, 2017, 2016 and 2015 and the unaudited interim financial statements as at December 31, 2017, consisting of Statements of Financial Position, Statements of Comprehensive Loss, Statements of Changes in Shareholders' Equity, Statements of Cash Flows and all notes thereto;

"**Courtland Common Shares**" means common shares in the capital of Courtland;

"**Courtland Subco**" means Courtland Merger Subco Inc., a corporation formed under the laws of Nevada pursuant to the Merger Agreement and a wholly owned subsidiary of Courtland;

"**CSA**" means *Controlled Substances Act* (the "**CSA**") in the United States;

"**Foreign Private Issuer**" means "foreign private issuer" as defined in Rule 3b-4 under the U.S. Securities Act;

"**IFRS**" means International Financial Reporting Standards, being the International Financial Reporting Standards of accounting, applicable as at the date on which such calculation is made or required to be made in accordance with such standards;

"**Letter Agreement**" means the binding Letter Agreement between Courtland and TOK dated January 12, 2018, as amended and restated;

"**Listing Statement**" means the listing statement prepared by Courtland and TOK in connection with the Proposed Transaction as required by the CSE;

"**Merger Agreement**" means the merger agreement dated April 2, 2018, between Courtland, TOK and Courtland Subco, as amended and restated May 8, 2018, and all instruments supplemental thereto or in amendment or confirmation thereof, which is attached hereto as Appendix A;

"**Name Change**" means the change of Courtland's name to "Tree of Knowledge International Corp.";

"**person**" means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

"**Plan**" or "**Plan of Merger**" means the plan of merger attached as Schedule A to *Appendix A* to this Listing Statement, as such plan of merger may be amended, supplemented or restated from time to time in accordance with the terms of the Merger Agreement and Plan of Merger;

"**Proposed Transaction**" means the acquisition by Courtland of all the TOK shares of common stock held by the holders of TOK pursuant to the terms of the Merger Agreement;

"**Resulting Issuer**" means Courtland immediately following completion of the Proposed Transaction;

"**Resulting Issuer Shares**" means Courtland Common Shares immediately following completion of the Proposed Transaction;

"**SEC**" means the U.S. Securities Exchange Commission, an independent agency of the United States federal government that is primarily responsible for enforcing federal securities laws, proposing securities rules, and regulating the securities industry, the nation's stock and options exchanges, and other activities and organizations, including the electronic securities markets in the United States;

"**SGSCC**" means Sustainable Growth Strategic Capital Corp., a private Ontario corporation that TOK has entered into an agreement with;

"**THC**" means Tetrahydrocannabinol, the main psychoactive constituent of the cannabis plant;

"**TOK**" means Tree of Knowledge Inc., a corporation formed under the laws of the State of Nevada;

"**TOK's Business**" means the business previously and heretofore carried on by TOK, which consists of the production and sale of products containing CBD derived from industrial hemp;

"**TOK's Financial Statements**" means the audited financial statements of TOK as at and for the 2 years ended December 31, 2017 and 2016, and the unaudited financial statements as at March 31, 2018, each of which consists

of Consolidated Statements of Financial Position, Consolidated Statements of Loss and Comprehensive Loss, Consolidated Statements of Changes in Shareholders' Equity and Consolidated Statements of Cash Flows and all notes thereto; and

"U.S. Securities Act" means the United States Securities Act of 1933, as amended.

FORWARD LOOKING STATEMENTS AND CURRENCY

Certain statements contained in this Listing Statement constitute forward-looking statements. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions or negative variations thereof.

In particular, this Listing Statement contains forward-looking statements pertaining to:

- the perceived benefits and effects of the Merger;
- plans regarding our revenue, expenses and operations;
- our anticipated cash needs and our need for additional financing;
- ability to protect, maintain and enforce intangible properties rights;
- plans for and timing of expansion of solutions and products;
- future growth plans and the ability to meet our business objectives;
- the acceptance by customers and the marketplace of new products and solutions;
- ability to attract new customers and develop and maintain existing customers;
- ability to attract and retain personnel;
- expectations with respect to advancement and adoption of new product lines and ingredients;
- competitive position and expectations regarding competition;
- anticipated trends and challenges in our business and the markets in which we operate; and
- treatment under government regulatory regimes.

The perceived benefits of the Merger are based upon a number of facts and assumptions, including the terms and conditions of the Merger Agreement and current industry, economic and market conditions (see "Benefits of the Merger"). The structure and effect of the Merger are based upon the terms of the Merger Agreement and the transactions contemplated thereby (see "*The Merger*" and *Appendix A* attached hereto). Certain steps in, and timing of, the Merger are based upon the terms of the Merger Agreement, and in respect of the ability and necessary time to receive the required regulatory approvals and advice received from counsel relating to timing expectations (see "*The Merger*" and *Appendix A* attached hereto).

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Courtland believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Listing Statement and in the documents incorporated by reference herein should not be unduly relied upon. These statements speak only as of the date of this Listing Statement.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include:

- the conditions to completion of the Merger may not be satisfied or waived which may result in the Merger not being completed;
- the occurrence of an event, change or other circumstance that could give rise to the termination of the Merger Agreement;
- risks related to factors beyond the control of Courtland or TOK
- limited operating history;
- reliance on third-party suppliers and manufacturers;

- need for additional financing;
- product liability and operational risk;
- product recalls;
- maintaining and promoting our brand;
- changing consumer preferences;
- key personnel risk;
- uninsured or uninsurable risk;
- potential violation of U.S. federal laws;
- changes to state laws pertaining to industrial hemp;
- uncertainty caused by potential changes to legal regulations;
- potential changes in federal and state laws and regulations;
- loss of foreign private issuer status; and
- adverse tax consequences.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Listing Statement are expressly qualified by this cautionary statement. Except as required by law, neither Courtland nor TOK undertakes any obligation to publicly update or revise any forward-looking statements.

Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this Information Circular.

Note on Information Concerning TOK

The information contained or referred to in this Listing Statement relating to TOK and TOK's Business has been furnished by the management of TOK. In preparing this Listing Statement, Courtland has relied upon such information provided by the management of TOK to ensure that this Listing Statement contains full, true and plain disclosure of all material facts relating to TOK and TOK's Business.

Currency: TOK reports its financial statements in United States dollars. All amounts relating to TOK financial information are stated in United States dollars unless otherwise specified herein. For the purposes of this Listing Statement an exchange ratio of \$1.3301 Canadian dollars for every 1 United States dollar, being the noon rate for the Bank of Canada on June 20, 2018, was used for United States dollars represented in Canadian dollars.

2. CORPORATE STRUCTURE

Courtland - Name and Address

Courtland's registered and records office is located at 79 Baysprings Terrace SW, Airdrie, AB T4B 4A7.

Courtland is a reporting issuer in the provinces of British Columbia and Alberta and prior to the listing of the Courtland Shares on CSE, the Courtland Shares were listed for trading on the NEX board of the TSXV under trading symbol "CTD.H".

Courtland - Incorporation

Courtland was incorporated under the BCBCA on July 25, 2007, as a capital pool company. Courtland completed its "Qualifying Transaction" under the policies of the TSXV on November 30, 2009, with ForceLogix, Inc. a corporation governed by the State of Nevada. Courtland filed the Name Change on June 5, 2018.

Courtland - Intercorporate Relationships

Courtland currently has one subsidiary, Courtland Subco, which was incorporated under the laws of Nevada as a wholly owned subsidiary of Courtland in connection with the Proposed Transaction.

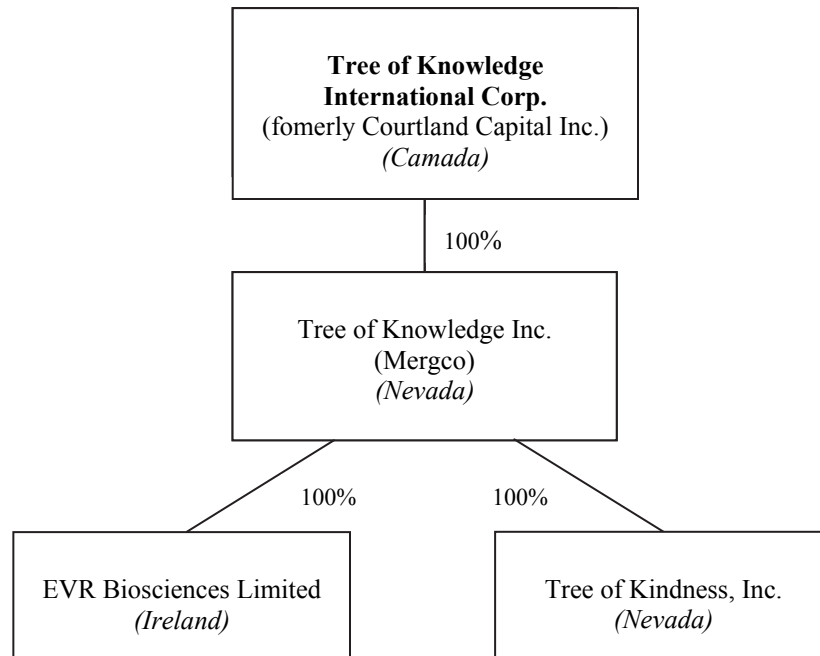
Proposed Corporate Structure following Proposed Transaction

Following Closing, the Resulting Issuer will be a corporation governed by the laws of the *Canada Business Corporations Act*. Articles of amendment will be filed in connection with Closing to: (i) effect the Consolidation on the basis of one (1) post-Consolidation Common Share for every 49.16 pre-Consolidation Common Shares; and (ii) continue under the *Canada Business Corporations Act*.

The Resulting Issuer's head office will be located at 633 Coronation Drive, Scarborough, Ontario, CANADA M1E 2K4 and its registered office will be located at 1250, 639 – 5 Avenue S.W., Calgary, Alberta T2P 0M9.

Intercorporate Relationships

The chart below represents the proposed corporate structure of Courtland upon completion of the Proposed Transaction.



TOK has four additional subsidiaries with no active business, namely, EVR Biosciences (UK) Ltd., which was formed under the laws of Scotland on October 3, 2017, EVR Global Biosciences Ltd., which was formed under the laws of British Columbia on February 10, 2017, and TOK Tech, Inc., which was formed under the laws of Washington on June 2, 2016 and EVR-CBD, Inc., which was formed under the laws of Washington on February 2, 2016.

Following Closing, Mergco, the corporation resulting from the merger of TOK and Courtland Subco, will be a corporation governed by the laws of Nevada, and will be a wholly-owned subsidiary of the Resulting Issuer.

TOK Name and Address

The business and records office of TOK is located at Suite #1119 W. 1st Avenue, Spokane, WA 99201, and the registered office is located at 306, 2nd Avenue, Pasco, Washington, 99301, United States.

TOK Incorporation

Tree of Knowledge Inc. ("**TOK**") was formed on April 21, 2015, as a corporation under the laws of Nevada, USA. TOK intends to merge with Courtland Subco under the laws of Nevada in connection with the Proposed Transaction to continue as Tree of Knowledge Inc.

TOK has six subsidiaries, Tree of Kindness, Inc. (Nevada), TOK Tech, Inc. (Washington), EVR Biosciences (UK) Ltd. (Scotland), EVR Biosciences Limited (Ireland), EVR Global Biosciences Ltd. (British Columbia) and EVR-CBD, Inc. (Washington). No subsidiary is a reporting issuer, and none of the subsidiaries' securities are registered under the securities legislation of any jurisdiction. Of the subsidiaries, only Tree of Kindness Inc. and EVR Biosciences Limited (Ireland) have active operations. Tree of Kindness Inc. is TOK's main operating subsidiary, while EVR Biosciences Limited is newly established and is obtaining regulatory approvals for labeling in Europe and for aggregating inventory.

TOK is not a reporting issuer, and none of its securities are registered under the securities legislation of any jurisdiction.

Fundamental Change or Proposed Acquisition

Had the Courtland Common Shares been listed and posted for trading on CSE, the Proposed Transaction would constitute a fundamental change and a significant acquisition. See "*Courtland Significant Acquisitions or Dispositions*" below.

3. GENERAL DEVELOPMENT OF THE BUSINESS

Courtland History

Courtland is a public company currently listed on the NEX Board of the TSX Venture Exchange. Courtland has received shareholder approval to delist from the NEX Board and intends to do so in connection with its application to list the Common Shares on the CSE. Courtland became a reporting issuer in the Provinces of British Columbia and Alberta by virtue of filing a prospectus dated February 27, 2008, in connection with an initial public offering as a capital pool company. On August 29, 2008, Courtland entered into a Merger Agreement with ForceLogix, Inc. ("ForceLogix") and all of ForceLogix's securityholders (the "Merger Agreement") whereby it was proposed Courtland would acquire all of the issued and outstanding securities of ForceLogix, a private sales performance management company, in consideration for the issuance of common shares and special warrants (collectively, the "Securities") at a deemed price of CDN\$0.16 per Security to the securityholders of ForceLogix. The Merger Agreement was amended and restated August 28, 2009 and the transaction was completed on November 30, 2009. ForceLogix became a wholly-owned subsidiary of Courtland, and Courtland changed its name to ForceLogix Technologies Inc. The transactions contemplated in the Merger Agreement constituted Courtland's qualifying transaction under TSX Venture Exchange Inc.'s Policy 2.4 Capital Pool Companies (the "Qualifying Transaction").

ForceLogix was formed to develop and commercialize technologies in the field of SPM (statistical parametric mapping) and process optimization. ForceLogix provided SaaS (software as a service), as well as technical and consulting services to clients to address sales performance management matters in a range of industries; specifically focusing on life sciences/pharmaceutical, high technology and financial services. ForceLogix provided software tools on-line along with a process to capture subjective and objective data from inside its customers' infrastructure.

On February 25, 2011 Courtland sold the assets of its operating U.S. subsidiary Forcelogix Technologies Inc. in an arm's length transaction to Callidus Corp., changed its name back to Courtland Capital Inc. and moved its operations back to Canada. The sale of its U.S. subsidiary constituted the sale of substantially all of its assets, and on March 21, 2011, the common shares of Courtland commenced trading on NEX. Courtland's only asset at that point consisted of cash.

The securities of Courtland were cease traded by the Alberta and British Columbia Securities Commissions in 2011, and the trading in the common shares on NEX was suspended, due to a failure by Courtland to file its annual

financial statements for the 15 month period ended March 31, 2011. The cease trade orders were revoked on July 18, 2013, following Courtland making the necessary filings.

In October, 2013, Courtland entered into an arm's length secured loan agreement with Fixed Income Solutions, LLC ("FIS"), a private financial services technology company, in connection with a proposed transaction to combine the companies. Courtland loaned \$300,000 to FIS and took security over its assets. The transaction did not proceed and in March 2016, Courtland obtained a judgement against FIS in pursuing recovery of the secured loan. As at March 31, 2017, Courtland has fully impaired the loan receivable.

On January 12, 2018, Courtland entered into a Letter of Intent with TOK, a corporation governed by the laws of Nevada, to combine their businesses. See "*Conditions to the Proposed Transaction*" below.

Details regarding the Proposed Transaction including the background to, reasons for, details of, conditions to and effect of the Proposed Transaction are set forth in this Listing Statement and the Appendices hereto. Readers are urged to carefully read the information in this Listing Statement and the Appendices hereto.

Courtland Significant Acquisitions or Dispositions

The Proposed Transaction constitutes a significant acquisition for Courtland. The parties to the Proposed Transaction are at arm's length to one another. Under the Merger Agreement, a copy of which is attached hereto as *Appendix A* and a copy of which is also available at www.sedar.com, Courtland has agreed to combine its business with TOK via the merger of Courtland Subco and TOK.

In December 2017, representatives of Courtland and TOK discussed the merits of a potential business combination. Recognizing the potential benefit such a transaction would bring to its shareholders, management of Courtland entered into a binding letter agreement with TOK on January 12, 2018. The parties continued their respective due diligence reviews and signed the Merger Agreement on April 2, 2018. The Merger Agreement was amended and restated on May 8, 2018, to add Courtland Subco as a party and to address certain tax matters. Upon the completion of the Proposed Transaction in accordance with the terms of the Merger Agreement, the Resulting Issuer will carry on the business of TOK. The CSE has conditionally accepted the Proposed Transaction subject to Courtland fulfilling all of the requirements of the CSE.

The following summary of the Merger Agreement is qualified in its entirety by the text of the Merger Agreement, a copy of which is attached hereto as *Appendix A* and which has also been filed by Courtland with the Canadian securities regulatory authorities and is available at www.sedar.com.

The Merger Agreement

The Merger Agreement provides for the implementation of the Plan of Merger of the Courtland Subco and TOK and a number of other items in connection with the Proposed Transaction. The following is a summary only of certain provisions of the Merger Agreement and reference should be made to the full text of the Merger Agreement and the Plan of Merger set forth in *Appendix A* to this Listing Statement and which has also been filed by Courtland with applicable Canadian securities regulatory authorities and is available at www.sedar.com.

Representations, Warranties and Covenants

The Merger Agreement contains customary representations and warranties made by each of the parties in respect of the respective assets, liabilities, financial position, business and operations of Courtland and TOK. Both Courtland and TOK also provided covenants in favour of each other in the Merger Agreement which govern the conduct of the operations and affairs of each respective party prior to Closing.

Conditions to the Proposed Transaction

The Merger Agreement contains certain conditions to the obligations of Courtland and TOK to complete the Proposed Transaction. Unless all of such conditions are satisfied or waived by the Party or Parties for whose benefit such conditions exist, the Proposed Transaction will not be completed. The following is a summary of the significant

conditions contained in the Merger Agreement:

- (a) upon Closing, all regulatory requirements have been or are capable of being satisfied, including satisfaction of the listing requirements of the CSE, including working capital requirements and any other requirement of the CSE and the CSE shall have provided its approval or conditional approval of the Proposed Transaction;
- (b) Courtland shall be a reporting issuer in good standing in the Province of Alberta and British Columbia and neither Courtland nor its shares shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (c) prior to Closing, Courtland shall have authorized the issuance of the Resulting Issuer Shares to the TOK Shareholders on the terms set out in the Merger Agreement;
- (d) prior to or concurrently with Closing, Courtland shall have completed the Consolidation and Continuance;
- (e) each of Courtland and TOK having obtained all consents, approvals and authorizations, regulatory or otherwise, including any third party approvals and consents, required or necessary to be obtained in connection with the Proposed Transaction;
- (f) prior to or concurrently with Closing, all directors of Courtland shall resign from their offices effective as of the Closing, with the exception of Rick Grass and Scott Reeves who will remain as directors, and three nominees of TOK shall be appointed as directors of the Resulting Issuer;
- (g) concurrent with or immediately following Closing, options to purchase Resulting Issuer Shares shall be granted to the directors and the continuing officers and employees of TOK's Business, in such number and at such price as is acceptable to TOK;
- (h) the merger between TOK and Courtland Subco becoming effective on or before June 30, 2018, or such other date as agreed to by Courtland and TOK; and
- (i) 2,712,059 Resulting Issuer Shares are issuable at a deemed price of US\$1.10 per share, on Closing to a party at arm's length to Courtland and TOK, as a finder's fee in connection with the Proposed Transaction.

The Proposed Transaction is structured as a three-cornered amalgamation and, as a result, the amalgamated corporation will become a wholly-owned subsidiary of the Resulting Issuer on Closing and the former shareholders of TOK will become shareholders of the Resulting Issuer and receive Resulting Issuer Shares. The Proposed Transaction will constitute a reverse take-over under applicable securities laws upon Closing. The Resulting Issuer qualifies as a "foreign private issuer" in the United States, until such time as the Resulting Issuer chooses to become a U.S. domestic issuer for U.S. securities laws purposes.

There is no assurance that the conditions set out in the Merger Agreement will be satisfied or waived on a timely basis or at all. Upon the conditions precedent set forth in the Merger Agreement being fulfilled or waived, Courtland intends to file all required regulatory filings, together with such other materials as may be required, in order to give effect to the Proposed Transaction.

Notwithstanding the foregoing, each of the resolutions approving the Consolidation and Continuance authorizes the Board, without further notice to or approval of the Courtland Shareholders to decide not to proceed with such matters at any time prior to the Effective Date.

Subject to all conditions precedent to the Merger as set forth in the Merger Agreement being satisfied or waived by the appropriate Party including, but not limited to, the Consolidation and Continuance, the Proposed Transaction will become effective upon the filing of Articles of Merger with the Secretary of State of Nevada.

The Resulting Issuer Shares to be issued to shareholders of TOK under the Proposed Transaction, will be issued in reliance on Section 4(a)(2) under the U.S. Securities Act and will be deemed "restricted securities" as defined in Rule 144(a)(3) of the U.S. Securities Act, and may not be transferred or sold, except pursuant to applicable

exemptions under the U.S. Securities Act and state securities laws, including Rule 904 of Regulation S and Rule 144 under the U.S. Securities Act.

Immediately after the completion of the Proposed Transaction, on a non-diluted basis, the former holders of TOK will own approximately 67,043,652 Courtland Common Shares, representing or 88.5% of the shares of the Resulting Issuer (non-diluted). A deemed value of \$0.10 per share has been placed on the Courtland Common Shares issued in connection with the Proposed Transaction, resulting in total consideration paid to the holders of TOK Shares of approximately US\$6,704,652. The existing holders of Courtland will own 5,986,407 Courtland Common Shares (7.9%) of the Resulting Issuer. In addition, 2,712,059 Courtland Common Shares (3.5%) are issuable at a deemed price of \$1.10 per share on Closing to a party at arm's length to Courtland and TOK, as a finder's fee. Following completion of the Proposed Transaction there will be 75,742,118 Courtland Common Shares issued and outstanding, warrants to purchase 1,800,000 Courtland Common Shares and options to purchase an additional 4,500,000 Courtland Common Shares. The parties anticipate closing the Proposed Transaction prior to June 30, 2018, unless otherwise agreed.

Management of Courtland believes that all material consents, rulings, approvals and assurances required for the completion of the Proposed Transaction will be obtained prior to the Closing Date in the normal course upon application therefor, however, there can be no assurance that all of the conditions to the Proposed Transaction will be fulfilled prior to the anticipated Closing Date. The fulfilment of certain of the conditions may be waived by the parties to the Merger Agreement.

The aforementioned is only a summary of the Merger Agreement. Readers are encouraged to refer to the Merger Agreement, a copy of which is attached hereto as *Appendix A* and which has also been filed on SEDAR at www.sedar.com.

TOK History

TOK is a private company incorporated on April 21, 2015, in the State of Nevada. Through its wholly owned subsidiary Tree of Kindness, Inc., TOK produces and sells hemp-based cannabidiol (“**CBD**”) products in certain jurisdictions in the United States, Europe, South America and China. Cannabidiol/CBD is a natural constituent of hemp oil, which is purported to contain wellness properties. CBD may be extracted from the hemp plant or the marijuana plant, but is typically sourced from hemp. Currently all raw hemp materials used to create the CBD used by TOK in its products are organically grown and handled using U.S. Department of Agriculture (USDA) approved industrial hemp grown in the United States.

TOK was created after recognizing CBD as a blossoming industry that has substantial room for growth, fueled by changes in regulations, the acceptance that CBD is beneficial for specific ailments, and awareness of the purported health and wellness benefits. Following regulatory changes, TOK management saw an opportunity for growth and expansion in this new fast paced industry.

TOK began with the vision to participate in the international space. Management believes that TOK's understanding of regulatory, political and financial dealings associated with international business gives TOK the opportunity to circumvent obstacles, in order to bring assistance to as many people as possible. TOK cares about the health and wellbeing of those who are unable to find relief for symptoms, and overall wellness that current common medicines cannot provide. TOK strives and is continuing to expand and perfect its product lines and geographically distribution with this endeavor.

Since inception, TOK has raised approximately \$2.7 million in a number of private equity and convertible debt financings which has been used to establish the initial sales, marketing and advertising strategies, protect intellectual property (such as trademarks) and establish TOK's operations in Spokane, Washington. See “*Selected Financial Information*” and “*Management's Discussion & Analysis*” for a description of TOK's operations to date. TOK currently maintains its head office and operations in Spokane, WA and derives its revenue from the sale of its products.

TOK Recent Developments

Since March 31, 2018, being the date of the most recent financial statements included in this Listing Statement, TOK has conducted the following transactions:

In April 2018, TOK issued an aggregate of 5,983,014 shares at prices ranging from \$0.60 to \$1.10 to various parties, including as compensation to employees and consultants, new investors and pursuant to note conversions. Also on April 10, 1,818,181 shares were issued in order to make an investment in SGSCC in connection with a strategic partnership including access to a proposed grow and extraction facility in Toronto (see “*Narrative Description of the Business – Operations – Overview*”).

On May 4, 2018, the two principals of TOK agreed to convert a total of \$395,453 that was loaned to TOK into shares at a price of \$1.10 per share and to extend the repayment of an additional amount of \$395,453 that was loaned to TOK, until December 31, 2019. On May 18, 2018, entered into an agreement with a licensed manufacturer, distributor, importer and exporter of cannabis, CBD and pharmaceutical based products in the Country of Macedonia (the “**Macedonia Agreement**”). TOK agreed to acquire a 5% interest in a company based in Macedonia and its affiliate for an aggregate cost of \$1.5 million, comprised of 909,090 shares issued at a price of \$1.10 and \$500,000 in cash to be paid in two instalments tied to the timing of the Resulting Issuer completing its next financing. The Resulting Issuer will be required to issue additional Common Shares to TOK for no additional consideration pursuant to a “price protection” provision, to the extent that the trading price is not \$1.10 on a date that is four months following the day the Common Shares are listed. For example, if the Common Shares of the Resulting Issuer are trading at \$1.00 on the applicable date, the Resulting Issuer would be required to issue an additional 90,910 for no additional consideration. To the extent the cash payments are not made by September 15, 2018, TOK’s interest will be reduced to 3.5%. In addition, an aggregate of 236,365 shares were issued in May pursuant to a private placement to investors at a price of \$1.10 per share for proceeds of \$260,000. Also in May an aggregate of 145,000 shares at a price of \$1.10 were issued to various parties, including as compensation to employees, consultants, service providers and 139,075 shares (\$104,306.25) pursuant to note conversions at \$0.75 per share.

An aggregate of 1,300,000 shares were cancelled subsequent to March 31, 2018, either due to non-performance of services or non-payment for the shares.

Below is a summary of the share capital activity by category since March 31, 2018:

Number of Shares	Description
488,777	Issued pursuant to the conversion of convertible notes
281,819	Issued at \$1.10 per share pursuant to private placements for cash
3,890,877	Issued for services
440,082	Issued to settle shareholder loans
1,818,181	Issued under SGSCC Investment Agreement
909,091	Issued under Macedonia Agreement
(1,300,000)	Shares cancelled

TOK Significant Acquisitions or Dispositions

TOK does not have any significant acquisitions or dispositions.

Trends

The use of cannabis and its general acceptance, particularly for medical uses, continues to grow in the United States, Canada and internationally, as evidenced by the increasing number of jurisdictions adopting regulations to govern its use. However, it is not legal at the federal level in the United States and Canada has yet to implement its legalization process. CBD, in particular has garnered recent attention for efficacy in a variety of products, most notably, for the treatment of rare epileptic related disorders in children, however, the legal status of CBD in the United States at a federal level is also tied to cannabis generally. There have been some recent bi-partisan efforts in the United States

to see an expansion of hemp farming and the removal of cannabinoids derived from hemp from the list of federal controlled substances. See “*Narrative Description of the Business – Regulatory Considerations*”. CBD has also been cited for benefits in the treatment of schizophrenia, some forms of cancer, type 1 diabetes, Alzheimer’s, post-traumatic stress disorder, pain and inflammation, anxiety, addictions, mood symptoms, insomnia and acne. See “*Narrative Description of the Business – Principal Products or Services*”. A recent trend includes use of CBD in the beauty products industry. Evidence of the benefits appears to be primarily anecdotal, however, an increasing number of studies and trials are being conducted to test the efficacy of CBD, particularly internationally. There are also an increasing number of delivery methods including vaporizers, oils, sprays, creams, capsules and microencapsulation (a process for putting CBD into tiny capsules to make it more readily absorbed by the body). As demand increases we can expect to see a number of technological advances.

The safety of CBD and cannabis related products will remain of paramount importance and will continue to be a focus for consumers and regulators alike. Regulation of the industry is expected to increase. Jeff Sessions, the current United States Attorney General is publicly strongly opposed to the use of cannabis in any form, and has taken active steps to try and disrupt the pace at which the cannabis industry is growing. Despite these challenges and a general lack of access to banking, the cannabis industry has so far enjoyed access to capital markets. The situation is constantly evolving and there is a great degree of uncertainty over how matters will be settled, however, it is likely that these US states that have legalized cannabis will fight any prohibition on its use as they are receiving significant amounts of tax revenue from the sale of cannabis. See “*Narrative Description of the Business – Regulatory Considerations*” and “*Risk Factors*”.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

General Business of Courtland

Courtland has no operations, no assets other than cash, prepaid expenses and deposits and other receivables and currently has no written or oral agreements in principle for the acquisition of an asset or business other than the Merger Agreement. Until completion of the Proposed Transaction, Courtland will not carry on business other than the due diligence required to pursue the closing of the Proposed Transaction.

General Business of TOK

Overview

TOK sells products in the cannabishealth and wellness sectors in certain jurisdictions in the United States, Europe, South America (Brazil) and China with an outlook of expanding into Canada and other jurisdictions where such activity is permitted and/or regulated by applicable laws. TOK produces and distributes products that contain CBD derived from USDA approved industrial hemp in accordance with applicable laws and regulations.

The industrial hemp side of the cannabis industry has come to the forefront in a short period of time due to its low percentage of the psychoactive ingredient THC, while retaining high levels of CBD. Because CBD is purported to have substantial medical benefits, yet is not psychoactive, it has become more palatable for governments to accept it. Industrial hemp can be grown in large farms like any agricultural product. It also creates other by-products that are useful such as hemp hearts and fiber. Extracted oils high in CBD have come to the forefront recently.

TOK has forged relationships with quality and ethical USDA approved farmers and co-ops in Colorado to source quality industrial hemp CBD extracts. Upon receiving the extracts, TOK ensures the quality through its third-party testing protocols. All of TOK’s products are made with cannabinoids extracted from controlled strains of USDA approved industrial hemp making them widely accepted internationally. The CBD contained in TOK’s products is extracted from USDA approved organic and kosher grown hemp using proprietary extraction process whose output provides the purest product available today. TOK thoroughly tests its CBD to confirm potency and to confirm absence of heavy metals, pesticides, microbials and residual solvents. This is a quality control step which management of TOK believes many other manufacturers do not take. TOK also provides live lab test results using QR codes (smart phone enabled bar codes) on all its products.

Testing of CBD products is largely done through Trace Analytics, one of the finest and most well-respected testing

labs in the cannabis industry. Trace Analytics is an advanced agricultural testing laboratory, focused on providing a full array of accurate and timely scientific agricultural testing services. Trace Analytics is committed to providing excellence in testing and consultation services for its clients. The Trace Analytics scientific team is at the forefront of the industry, with state of the art instrumentation, novel testing platforms, and cutting-edge technology.

TOK's current facility in Spokane, WA, produces the TOK CBD product lines for its customers. TOK has forged multiple relationships with other providers in the industry to outsource specialty orders for its customers. See "*Regulatory Considerations – State Regulation of Industrial Hemp*".

In certain circumstances, TOK may pursue business opportunities in other value chain segments, such as operating a dispensary or making strategic investments. The aim of this strategy is to secure a foothold in such markets, through obtaining a license to operate a business that is not directly related to extraction/processing and then partnering with another licensed supplier that is able to operate in the extraction/processing space. To this end, TOK has entered into the SGSCC Investment Agreement and Macedonia Agreement. See "*General Development of the Business – TOK Recent Developments*".

Business Objectives, Available Funds and Principal Purposes

Business Objectives

The Resulting Issuer will focus on TOK's business. In particular, the Resulting Issuer's immediate short-term objectives are to:

- (a) relocate its headquarters to 633 Coronation Dr in Scarborough, Ontario, the location of the Canadian Facility,
- (b) continue current levels of production and distribution for existing products and continue to create a global brand in the CBD space;
- (c) complete a brokered or non-brokered private placement within 60 days of Closing to raise approximately \$2 million to up to \$7 million, depending upon the valuation obtained by the Resulting Issuer; and
- (d) hire a top executive to run the Canadian operations (following Closing) and add to its international management team.

Subject to completion of a financing, if the Resulting Issuer only raises \$2 million, the proceeds will be used to conduct the initial construction of the Canadian Facility. The Resulting Issuer intends to hire a design team to provide construction drawings to lay out the new facility. Construction is expected to take six months and will be done in stages at an expected cost of \$1 million. In addition, the Resulting Issuer intends to pay the balance of the cash owing of \$500,000 under the Macedonia Agreement prior to September 15, 2018, payable in two payments after the first round of funding has been completed. If the Resulting Issuer raises \$7 million, the incremental \$5 million is expected to be used as follows: \$1 million for equipment for creating new products, \$1 million in patient/doctor outreach, \$800,000 to hire additional employees, \$400,000 for international marketing and social media outreach and \$1.8 million for an additional facility buildout of the Canadian Facility.

The Resulting Issuer's long-term objectives will be to:

- (a) Expand its production and distribution for its existing products into new international markets;
- (b) Additional product development and marketing for hemp-based CBD products;
- (c) Acquire additional product lines and technologies;
- (d) Fully build out of the Canadian Facility to enable the Resulting Issuer to extract CBD for its productions and manufacture them in the facility;

- (e) Pursue additional strategic acquisitions and partnerships if they make sense for the brand and for shareholders; and
- (f) Generate positive cash flow.

The principal milestone is obtaining additional financing.

Funds Available

The following table sets forth the estimated funds (based upon total current assets less total current liabilities) available to the Resulting Issuer following completion of the Proposed Transaction, as at May 31, 2018. See also *Appendix F – "Pro Forma Financial Statements"*.

<u>Source of Funds</u>	<u>Available Funds on Completion of the Transaction as at (US\$)</u>
Estimated working capital	\$328,000
Gross proceeds from the issuance of Courtland Debentures ⁽¹⁾	\$270,656
Estimated expenses and costs relating to the Transaction	(\$100,000)
Total Funds Available	\$498,656

Note:

(1) A conversion rate of Cdn\$1.3301 is equal to US\$1.00 was used, being the noon rate for the Bank of Canada on June 20, 2018.

It is a condition of Closing that TOK has sufficient capital to meeting the listing requirements of the CSE.

Principal Purposes of Funds

The following table sets forth the proposed use of the available funds by the Resulting Issuer upon completion of the Proposed Transaction:

<u>Description</u>	<u>Amount (US\$)</u>
General and administrative costs for the next twelve months (rent, utilities, insurance, internet/website, payroll and health benefits)	\$336,000
Unallocated working capital	\$162,656
	\$498,656

As at Closing, the Resulting Issuer will have sufficient funds on hand to cover its basic operations for the next 12 months, however it will need to raise additional funds to complete the activities outlined above. The Resulting Issuer will need to generate additional funds from a combination of revenues and raising additional funds to cover the above noted operating expenses and business expenditures for the next 12 months. TOK expects to raise the additional funds through the issuance of Resulting Issuer securities by way of a brokered or non-brokered private placement estimated to be a minimum of US\$2 million and up to US\$7 million.

The above uses of available funds are estimates only. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

Principal Products or Services

About CBD

Cannabidiol (CBD) is one of at least 144 active cannabinoids identified in cannabis. Unlike the compound tetrahydrocannabinol (THC), CBD is not psychoactive and is purported to have many significant medical benefits. A natural constituent of oil extracted from the flowers and leaves of the hemp plant or marijuana plant, cannabidiol/CBD purportedly contains many wellness properties. CBD products can come in various forms, including isolates, oils, disolates, tinctures, capsules, oral applicators, salves, ointments, patches, infused waters, infused energy drinks, and infused beverages. CBD can be vaporized, applied, smoked or ingested to alleviate pain and other ailments. CBD’s effectiveness for alleviating an ailment can be influenced by the method of administration (i.e. inhalation, ingestion, topical). Each ailment will have an optimal method of administering the product.

There is a broad base of research as well as abundant anecdotal evidence to support the desired effect of CBD from the different forms of administration. When CBD is prescribed by a medical professional, the doctor dictates the form and the dosage. In the case of over-the-counter products, there are suggested applications, however, no medical claims can be given in countries where it is not allowed.

Health Effects of CBD

Cannabidiol (CBD) is emerging as a powerful supplement with anti-inflammatory properties and the ability to help several previously untreatable diseases. CBD has been known to help with pain relief and has shown indications to strengthen the immune system and respond with the human body’s endo-cannabinoid system. CBD is purported to help fight against certain cancers and irritable bowel diseases and improve schizophrenia symptoms. The range of purported health benefits is staggering, including the following shown in the chart below.

Health Effects of Marijuana	THC	THC-A	THC-V	CBN	CBD	CBD-A	CBC	CBC-A	CBG	CBG-A	Benefits
Pain relief											Analgesis
Reduces inflammation											Anti-inflammatory
Supresses appetite											Anoretic
Stimulates appetite											Appetite stimulant
Reduces vomiting and nausea											Antimetic
Reduces contractions of small intestine											Intestinal antiprokinetic
Relieves anxiety											Anxiolytic
Tranquilizing / psychosis management											Antipsychotic
Reduces seizures and convulsions											Antiepileptic
Suppresses muscle spasms											Antispasmodic
Aides sleep											Anti-insomnia
Reduces efficacy of immune system											Immunosuppressive
Reduces blood sugar levels											Anti-diabetic
Prevents nervous system degeneration											Neuroprotective
Treats psoriasis											Antipsoriatic
Reduces risk of artery blockage											Anti-ischemic
Kills or slows bacteria growth											Anti-bacterial
Treats fungal infection											Anti-fungal
Inhibits cell growth in tumours / cancer											Anti-proliferative
Promotes bone growth											Bone-stimulant

Research & Development - Clinical Trials

TOK’s products were used in a study involving infants and children suffering from refractory epilepsy. The study was conducted by the Hospital Francisco Ribeiro Arantes; Medical, Itu, Brazil; the University of Brazil; and Children and Adolescence Medicine, Brazil and showed a marked reduction in seizures in the study group.

Of note, TOK is aware of at least 245 clinical trials worldwide that have been completed or are in the process of exploring the purported benefits of CBD. In the EU alone there are 147 clinical trials as at December 2016 (source: *Cannabis for Medical Use – A Scientific Review* January 31, 2017, prepared by the Health Products Regulatory

Authority of Ireland). As the scientific evidence accumulates, management of TOK believes that it is just a matter of time before regulators in the United States and across the world take active steps to institute comprehensive measures to legalize and support the use of CBD for medical and wellness purposes.

Principal Products

TOK's CBD product line contains EVR Premium Hemp Oil, which is an organically grown and handled, gluten-free, vegan, Non-GMO, synergistic compound. EVR Premium Hemp Oil is formulated by TOK under strict quality control standards. Quality control for the EVR Premium Hemp Oil includes analytical testing for impurities by Trace Analytics, a third-party laboratory. TOK then combines EVR Premium Hemp Oil with other natural ingredients to create its products. A QR code (a smart phone enabled bar code) is placed on all TOK's products allowing customers to check the laboratory results and view the Certificate of Analysis (CoA) for the specific product batch. The CoA shows the CBD purity and gives the guarantee of no pesticides, microbials, or heavy metals in the product. This offers consumers the assurance that only safe ingredients are used in the products.

TOK currently offers the following CBD products, which may be used in connection with the treatment of a number of ailments and for general wellness purposes. Certain of the products employ the use of a proprietary dosing mechanism:

- Airless Metered Pens (AMP) - The AMPs are available in 3-ml or 10-ml sizes. Each size is offered with concentrations of 18%, 22%, 24%, 25% or 30% CBD.
- Capsules- Capsules are available in a 30 pack of 25mg of CBD per capsule or a 60 pack of 50mg of CBD per capsule.
- CBD Drops - The drops are available in 1-oz, 2-oz, or 4-oz sizes, flavors include natural, mint, cherry, and peppermint. Drops are also offered in 100mg, 300mg, 500mg, 600mg, 1,000mg, and 6,000mg of CBD.
- Salvation Balm - 1.7oz balm with 48mg of CBD.
- Gout Cream - This cream was created specifically for one of TOK's Chinese distributors.
- Pet Tincture: containing 240mg of CBD. This product is intended for dogs and cats.
- Facial cream: containing 50mg and 150mg CBD.

TOK now sells EVR Premium Hemp Oil to customers in various states in the U.S., as well as customers in Europe, South America, China and Australia.



Recently, TOK has invested in equipment that will allow it to create new product lines. The new series of product lines will cater to sleeping disorders, psoriasis, anxiety, eating disorders, anti-inflammatory, and a non-psychoactive antibiotic. TOK is also working on product lines that will give the products added benefits when combined with other herbal ingredients. TOK has the capability to extract its own natural flavorings using natural plant-based matter.

Pricing

Our pricing strategy is in line with the market and allows us to be price competitive with most of our competition. We have different levels of pricing for our products, including retail pricing for products offered on our website, wholesale pricing for distributors and special distributors, depending upon the quantity of products ordered. Our pricing strategy may be impacted by transportation costs depending upon the location of the distribution. We continually monitor our pricing strategy to ensure we remain competitive. See “*Competitive Conditions*” below.

Operations

Overview

TOK has forged relationships with quality and ethical USDA approved farmers and Co-ops to source quality hemp extracts. Upon receiving the extracts, TOK ensures the quality through third-party testing protocols (Trace Analytics). TOK’s current facility creates TOK’s products as well as customer specific products for third party customers. TOK has also forged multiple relationships with other providers in the industry to outsource specialty orders for its customers.

TOK currently has 9 full time employees, 8 consultants and 30 independent sales people. TOK’s current facility is located in downtown Spokane. It is in one of the few Light Industrial zoned properties in the Downtown area. The facility is approximately 3,500 square feet and TOK has recently leased approximately 500 additional square feet within the building. TOK is also in negotiations for some contiguous space in the building adjacent to the current structure. Management believes this facility has been built to above standards currently used in the industry. Currently TOK with our consultant team, is creating an operational process tracking and inventory controls software that will allow TOK to expand into other geographic areas seamlessly.

TOK entered into a letter of intent dated March 15, 2018, with Sustainable Growth Strategic Capital Corp. (“SGSCC”), a private Ontario corporation, that has applied to be a Canadian Licensed Producer pursuant to the *Access to Cannabis for Medical Purposes Regulations* (“ACMPR”) in order to cultivate and distribute cannabis. See “*Regulatory Considerations – Overview of Canadian Regulatory Overview*” for a description of the ACMPR

licensing requirements. The parties entered into a definitive agreement on April 5, 2018 (the “**SGSCC Investment Agreement**”). Pursuant to the SGSCC Investment Agreement, SGSCC has agreed to provide TOK with 8,000 square feet of space in its facility located at 633 Coronation Drive, Toronto, Ontario M1E 2K4 (the Canadian Facility), and manage the construction of a laboratory and clean work space to TOK’s specifications. The cost is initially expected to be approximately \$12,000/month including rent and personnel. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the space to be leased by TOK, in accordance with applicable regulations. Pursuant to the SCSCC Investment Agreement, TOK issued 1,818,181 common shares of TOK (approximately 5%) and SGSCC issued 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC. The ownership in the respective companies is intended to align the interests of the parties and provide for additional incentive to build each other’s respective business.

The Canadian Facility currently has corporate offices and board rooms built that will be used by TOK for sales and marketing. About 10,000 sq. ft. of grow operations have been built by SGSCC and are awaiting approval of the ACMPR License from Health Canada. Following approval, SGSCC intends to build another 40,000 sq. ft. of grow space. Once fully built, the facility will have an oil extraction facility, research and development, processing and packaging, and an education facility for doctors and government officials. The facility is located a short drive from the Toronto International Airport. TOK intends to relocate its main office and operations to this facility upon completion of the Proposed Transaction. In addition TOK will have the option to lease an additional 80,000 square feet for expansion purposes of the approximately 150,000 square foot facility.

Expenses

The cost to produce TOK’s CBD products is relatively low compared to the price the products currently garner in the marketplace. Generally, the margins on products range from 25-50%. TOK’s expenses include salary, payroll, equipment, maintenance, taxes, utilities, rent, travel, insurance, and a couple other miscellaneous costs. These costs are expected to rise at a rate under the growth rate of the revenue going forward as TOK expands its product line and countries of operation. The proposed expansion into Canada is expected to initially reduce net income, but should enable TOK to realize an even quicker revenue growth rate. This effect is expected to occur each time TOK expands into a new country or region. See *Appendix D – TOK Interim and Annual Financial Statements*.

Specialized Skills and Knowledge

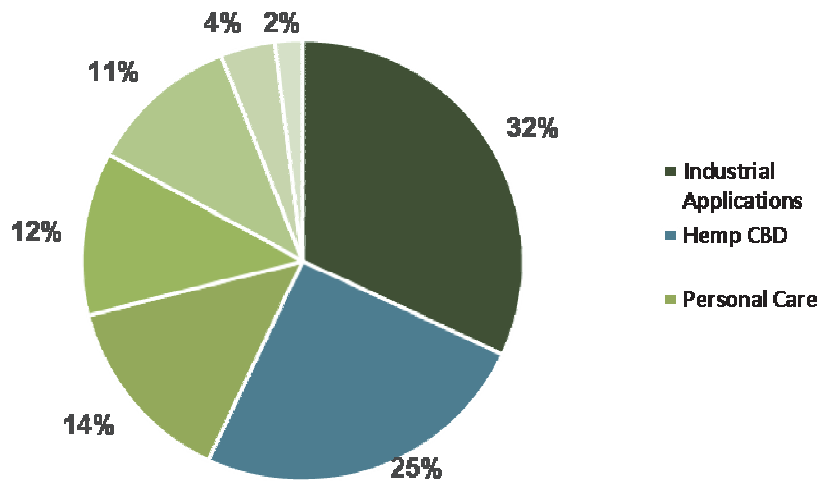
Brian Main has spent the last 7 years working with investment groups, lobbyist, and securities attorneys in the medical marijuana and industrial hemp industry. Mr. Main studied microbiological genetic technologies while at Eastern Washington University which has provided him with an understanding of the foundational elements of CBD and its various properties. TOK’s team is proficient in regulatory issues, financial issues, laboratory testing, research and development, formulations, and marketing expertise to name a few.

Market Size and Growth

United States

The market for hemp is typically broken down into numerous categories. According to observations made by the Congressional Research Service in a March 10, 2017, report entitled “*Hemp as an Agricultural Commodity*,” no official estimates are available for the value of U.S. sales of hemp-based products. The Hemp Industries Association (“**HIA**”), a non-profit trade association consisting of hundreds of hemp businesses, has reviewed sales of clothing, auto parts, building materials and various other products in collaboration with the Hemp Business Journal, a US-based hemp industry research and news provider, and estimated the total retail value of hemp products sold in the U.S. in 2015 was US\$574 million and in 2016 was US\$688 million. According to the HempBusiness Journal, Hemp and CBD-based products are the fastest growing segments in the cannabis industry, with the majority of the current market spread across only a few states. The chart below provides an estimate of the hemp market size in US dollars and the relative percentages for each category for 2020.

\$1.8 Billion US Hemp-Based Products Sales by Category 2020E



Source: Hemp Business Journal

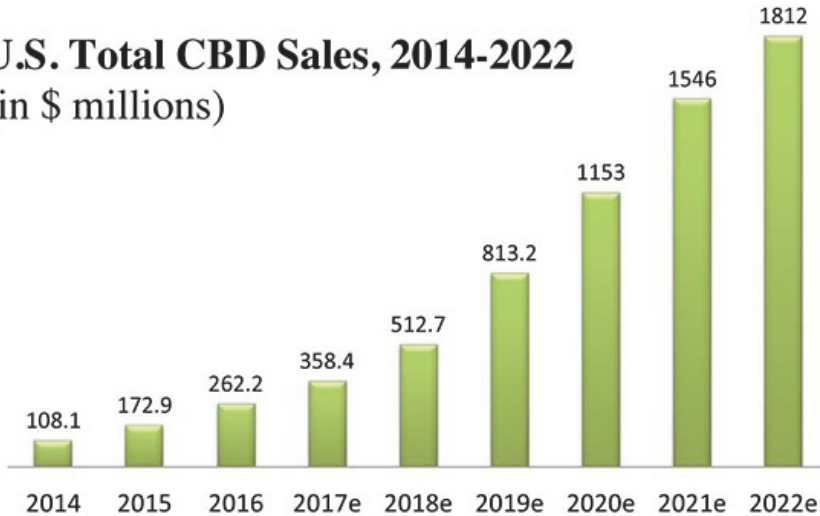
The U.S. hemp industry is expected to grow from a niche industry filled with activists and start-ups to a nationally recognized market expected to reach \$1.8 billion in sales by 2020. Research published by Hemp Business Journal shows consumer sales of hemp products rose to \$400 million in 2014, up 33 percent over a year earlier. The market continued at a similar pace for 2015 where it rose to \$593 million in sales and reached \$688 million in sales in 2016.

The Hemp Business Journal reported estimates of acreage planted in the USA in 2017 is projected to be 17,000 – 21,000 acres across the United States. That is up from 3,933 acres planted in 2015, primarily in four states, and 9,649 acres across 19 states in 2016, an estimated 430-500% increase over two years. Hemp cultivation acreage in the USA is still behind Europe and Canada. Estimates put Canada's acreage for planted hemp for 2015 at 50,000 acres, and Europe's 2016 acreage planted was 81,500 acres. There were 10 U.S. universities conducting hemp research in 2015, and there were 30 U.S. universities that studied hemp in 2016 under Section 7606 of the 2014 *Federal Farm Bill*. Research continues to advance on a national scale. In 2015 states reported a combination of 538 “applications, registrations and licenses.” In 2016, states reported 817 licenses were issued, representing a 50% - 75% increase in licensure from the year previous.

The HIA estimates that approximately 3,997 acres (1,618 hectares) of hemp crops were planted in 7 states during 2015 in the U.S. In the U.S., thirty-four states have now passed legislation that allow hemp farming as part of U.S.H.R.3530, the *Industrial Hemp Farming Act of 2017*. Vote Hemp, a non-profit organization dedicated to the acceptance of hemp and the legalization of commercial growing of industrial hemp, estimates that approximately 25,541 acres of hemp crops were planted in the U.S. in 2017, up from 9,770 acres in 2016. Assuming that this trend continues, the more land available to grow hemp the more likely the market awareness for the many features of this crop will become better known and better accepted among consumers. On April 12, 2018, Senate Leader Mitch McConnell, introduced bi-partisan legislation entitled the *Hemp Farming Act of 2018*. If passed, all uncertainty relating to the status of industrial hemp as a controlled substance will be removed. See “*Regulatory Considerations – United States Regulatory Overview – New Developments*”.

In an article dated August 23, 2017, Forbes Magazine cited a report by Brightfield Group projecting that hemp-derived CBD is expected to be a billion dollar market in the U.S. by 2019/2020. The Brightfield Group estimated that CBD sales reached \$170 million in 2016. The chart below estimates consumer sales of CBD from 2014 to 2022.

U.S. Total CBD Sales, 2014-2022 (in \$ millions)



Source: Hemp Business Journal estimates (consumer sales)

International Markets

Canada

In 1994, Canada began to issue research licences to grow industrial hemp on an experimental basis. In 1998, the commercial production of industrial hemp was legalized in Canada with Health Canada being the authority to grant licences. Currently, Canada is the only country in North America where the cultivation of industrial hemp is legal.

According to a report dated August 10, 2017, entitled *Modernizing the Industrial Hemp Regime*, published by the Canadian Hemp Trade Alliance, Canada is one of the largest exporter of industrial hemp worldwide with an estimated export of 64 million kilograms (approximately 90% of its production) valued at approximately \$115 million in 2017. It has been reported by Health Canada that more than 140,000 acres were licensed for hemp cultivation in Canada in 2017, mainly on larger tracts in Saskatchewan, Alberta and Manitoba. About 85% of hemp grown in Canada is for its seeds, used in food and health products.

Europe

According to the European Industrial Hemp Association (the “**EIHA**”), in 2016, 30,000 hectares were cultivated in the European Union. The last couple of years have seen growing interest in CBD. The EIHA has stated that CBD not only has numerous purported beneficial health effects, but it also has no relevant side-effects, even when it is administered at high doses. CBD is increasingly used as a food supplement and in food supplement compositions, and as an ingredient in cosmetics. As per the EIHA report dated March 31, 2018, CBD has an upper market potential in Europe of €2 billion if used as medicine for chronic diseases. When compared with over-the-counter medicine such as valerian root (typically used as a sleep aid), CBD is thought to have a minimum market penetration potential of €24 million. The gap between upper and lower market potentials is expected to be reduced by an increase in consumer information, investments in research to support initial medical claims and adoption of the necessary legal provisions.

South America

Hemp cultivation in South America is found primarily in Chile and Uruguay. There is currently no material cultivation in Brazil. In Chile, hemp has been an important industrial plant since its introduction by the Spanish around 1545 and Chile leads South America in production. For several years, Chile has hosted the largest hemp trade fair in South America and the event is spreading to other countries adopting hemp legalisation. In December of 2013, Uruguay became the first country in the world to “fully legalise the research and development, as well as

cultivation, distribution, sale and consumption of non-synthetic cannabinoids and hemp”. This historic move was primarily an effort to stop drug cartels, but also to benefit the country’s people and their economy; corporations have already been issued licences to grow industrial hemp.

China

According to a 2016 article by Seed CX Ltd., a company based in Chicago that provides research and investing information, China’s history of hemp cultivation dates back six thousand years with a tradition of utilizing hemp for textile, paper, food, feed and as a pharmaceutical. Seed CX reports that hemp is cultivated in more than 20 provinces, with Yunnan, Heilongjiang, Shanxi and Anhui being the largest producers. Two of these provinces are purported to have 250,000 acres planted. It is stated that the central government of China has not distinguished industrial hemp separately from marijuana, nor has it developed a legal infrastructure to regulate the cultivation and processing of the crop. Yunnan is currently the only province with legal infrastructure in place to define and regulate the growth and production of industrial hemp. Information is not widely available on the volume of industrial hemp grown in China, however, it is said to be responsible for half the world’s production annually.

Market Access

The international CBD markets may be broken down into four categories:

1. *Health and Wellness* – minimal regulation, CBD is treated as a natural health product or supplement, not dissimilar to herbal remedies such as valerian root, valerian, glucosamine, chondroitin (sulfate), Ginkgo Biloba, some vitamins and iron products.
2. *No Access* – CBD is completely prohibited, typically, because it is put into the same category as THC.
3. *Exceptional Use* – CBD is recognized as having legitimate medical uses and exceptions have been made by the regulators to permit its use under certain conditions.
4. *Full Access* – CBD, while identified as a controlled substance, is fully permitted in accordance with established regulations.

With the exception of the United States and China, each of which have more than one, the CBD markets in every country typically fall into one of these four categories. In the case of the United States, there is no federal program, rather, to the extent that CBD has been directly addressed at all, specific regulations have been instituted on a state by state basis. In the U.S. there are 17 states that have instituted CBD specific legislation, primarily as Exceptional Use with a few states that have adopted a Health and Wellness approach. In China, the regulatory environment is evolving and is a combination of Exceptional Use and Health and Wellness approaches. Although the regulations are not yet finalized, Canada is expected to be a Full Access jurisdiction by October 2018. Brazil has an Exceptional Use Program, Ireland as part of the EU, currently has a Health and Wellness approach to CBD.

As a general approach, TOK’s initial strategy was to target the Exceptional Use Programs. Management of TOK believed that by investing in the most difficult and time consuming elements of the Exceptional Use Programs, it would allow for the highest source of revenues. The process involved TOK first obtaining approval from the governing body for cannabis products as a medicine. After approval, TOK targeted prescribing doctors who specialized in the ailments in which the Exceptional Use Program was allowed for that country. A doctor or other medical professional is required to prescribe and fill out the necessary paperwork to submit to the country’s healthcare system for approval. The advantage to this approach was that as doctors become more comfortable with the product, they will prescribe more and more patients and minimal additional effort is required by TOK.

The Exceptional Use Programs have many nuances based upon each government’s regulatory documentation. Within the Exceptional Use Program, the distribution model can vary. The ailments will vary vastly from country to country and the requirements from the doctors and patients also vary from country to country. It is necessary to become knowledgeable on what the requirements are. This requires interfacing with the governmental bodies for each country to identify those requirements. Distribution requirements also vary from country to country and are established by that governing body as well. The upside to the Exceptional Use Programs is that in many cases, the fact that an exception has been made usually means there is a significant demand requiring treatment using the products. As an example it is estimated that there are two million patients in Brazil alone that suffer from seizure disorders for which there are no effective traditional pharmaceutical treatments. Currently in Brazil, cannabis based

products may be prescribed for Epilepsy, Parkinson, Fibromyalgia, Sclerosis, Schizophrenia, depression, cancer, chronic pain, and many others. As clinical trials using CBD continue, additional indications for the use of CBD are expected to be developed.

For the Health and Wellness categories in Europe and the United States, TOK focusses on selling to small and mid-size natural product stores using various wholesale distribution channels.

Target Markets

TOK's current target markets include both wholesale and consumer CBD markets located in the United States, South America (Brazil, and soon Argentina), Europe (Ireland) and China, with Canada to follow once government approval is finalized.

Most of the large players in the CBD industry have focused the U.S. markets. Only a handful have turned to Central and South America, Europe, and Asia. TOK has directed its focus on these markets as well as the United States.

The big U.S. companies have focused on the markets within the United States. There has been a big race to penetrate the distribution chains within the U.S. market. A few competitors turned toward Mexico and South America which are expected to become very lucrative markets.

TOK's focus has been international distribution. It was the opinion of our leadership that this sector, marketed and ran properly, would bring the greatest volume of revenues and also had the highest barrier to entry.

Marketing Plans and Strategies

Successful marketing is a critical to securing the brand and TOK's growth.

Sales and Marketing

Each market requires TOK to employ different methods that are designed for that specific market. In Exceptional Use jurisdictions such as Brazil, we have created a doctor-centric methodology. TOK created The Doctors' Program to focus on our key customer base, working with doctors and key officials on the benefits of premium commercial hemp oils. The program also allows doctors the flexibility, to provide our products at a reduced price for patients with limited financial means. TOK also utilizes a sales team who works directly with doctors in Brazil.

In the United States, our strategy has been to follow the same protocols and requirements that are used for the medically-approved products in other countries with Exceptional Use requirements. Management of TOK believes that there is still a vast market for customers who will pay a premium for the quality and the security of well-made industrial hemp-based products. Although the costs associated with TOK's protocols are substantially higher than those who do not require TOK's accuracy and traceability, TOK believes that in the long run, the quality of its products, and its growing name recognition, will allow it to stand out in the marketplace. TOK has brought on a distribution group of 30 sales team members whose focus is only on selling our EVR product line throughout the United States.

We employ the use of social media campaigns to drive online sales, as well as utilize the multiple distribution channels targeting small health and wellness stores, cannabis stores, CBD supplements stores, physicians' offices, as well as major retailers. We have made contact with over 1,600 companies soliciting them to carry our product lines in the United States during the first quarter of this year. We are also in the process of working with some large groups for white labeling and private labeling our products and are in the process of finalizing the product lines.

One of TOK's priorities is to educate and help people learn about the benefits of CBD. TOK's marketing in Exceptional Use jurisdiction, such as Brazil, focusses on medical conventions and similar venues.

Our marketing strategy in Full Access and Health and Wellness jurisdictions will utilize our website and online resources and focusses on political influences and large-scale distribution models.

Distribution

TOK currently distributes its products from the United States, however, it also intends to establish multiple distribution channels and locations to efficiently service the supply of products in various jurisdictions. TOK recently established a distribution facility in Ireland that is expected to service the European markets.

Competitive Conditions

The cannabis industry generally is highly competitive and the CBD industry as a sub-component is no different. TOK will compete with numerous other businesses in the medicinal and adult use industry, many of which possess greater financial, marketing and other resources than TOK. The cannabis business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labour, and governmental regulations. Any change in these factors could materially and adversely affect TOK's operations.

TOK expects to face additional competition from new entrants to the markets in which it operates. If the number of legal users of cannabis in its target jurisdiction increases, the demand for products will increase and TOK expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products.

Early Mover Advantage

Management of TOK believes that being early to market has given TOK a distinct advantage and head start in developing superior relations with governing bodies of countries that have a cannabis program. Management believes it is now in a unique position to be able to modify its existing products as needed and to create new products that are tailor made to the requests of the doctors that prescribe TOK's products. TOK has been benefitting from interactions with medical associations and pharmacy organizations to establish techniques, potency lines, and delivery systems requested by the associations. TOK is finding that CBD products can be designed based upon ailment, age of consumer, and bioavailability to the consumer. Many of the consumers have decreased mobility and making the product easy to use and straight forward creates a better experience and allows for better efficacy for the patient. Management believes that this, in turn, should lead to the greater adoption of its products and financial benefits to TOK.

United States and Forward-Looking Competition

In the United States competition for CBD products is very fierce. Due to the uncertainty over the regulation of CBD products in the U.S. and the lack of any quality standards, there are some companies doing a substantial amount of business in the United States that may not even be in compliance with existing regulations. TOK's strategy in the United States has been to only use CBD derived from USDA approved industrial hemp. As a result, the costs associated with all TOK's protocols are substantially higher than those who do not source their CBD from USDA approved industrial hemp and take the additional steps TOK takes to ensure the quality and traceability of its products. Accordingly, TOK's ability to effectively compete may be impacted. Management of TOK believes that there is still a vast market for customers who will choose the quality and security of TOK's CBD products, and this should benefit TOK in the longer term.

Competition in Canada

Canada is another market for CBD products that has not been tapped. Management of TOK believes they can achieve substantial market penetration in Canada over the coming years once cannabis (containing both THC and CBD) is legalized. Once SGSCC obtains its ACMPR license status, TOK expects to be in a position to effectively penetrate Canadian markets following final government approvals expected in October 2018.

Competition in Brazil

Currently, there are eleven companies with products approved by the Brazilian governmental authority (ANVISA)

for distribution in Brazil. TOK's competitors have all used various methods for market penetration. A common method chosen was to market to patients and to wholesalers, who TOK believes do not have a fulsome understanding of industrial hemp products. TOK chose market to the prescribers of the medication. Management of TOK feels its methodology for penetrating markets has been as successful and is superior to that of its competition.

Competition in Europe

Currently, the European markets have been difficult to penetrate using the standard methods most companies use. TOK chose to focus on the food and supplement approvals, then turned to medical approvals. TOK's distribution, banking, and corporate structure has brought it to the forefront of the European hemp industry. Management of TOK believes that the competition in Europe is extremely segmented due to a lack of strategic focus. TOK intends to capitalize on this.

Future Developments

Within the United States, we are working on several patentable processes, focusing on microencapsulation, a process for stabilizing and protected high quality CBD extracts from oxidation, UV corruption and exposure to environmental breakdown and to assure prolonged shelf life. The first preliminary patent has been filed with the US government. Internationally, we are working on product lines with three strategic partners in Europe. We have preliminary agreements to manufacture at each site.

Intellectual Property and Proprietary Protection

TOK's trade secrets, trademarks, copyrights and other intellectual property rights are important assets. TOK's strategy includes the continuing research and development of new products, not only for its private label customers, and to accommodate special requests from its retailers, but also for expanding its own product lines. TOK relies upon, and expects to continue to rely upon, a combination of confidentiality and license agreements with its employees, consultants and third parties with whom it has relationships, to limit access to, and disclosure and use of, TOK's confidential information and proprietary technology. In addition we will actively seek trademark, trade dress, domain names and copyright protection as it expands into new jurisdictions.

TOK currently has the exclusive rights (for the cannabis industry) for a proprietary metered dosing device. The device allows a patient to take up to approximately 80 measured doses of our product (one dose per click). This is all done in a sleek, easy to use design. In addition, TOK has the exclusive rights for a proprietary device offering users a way to administer CBD and or THC products through the nasal cavity, as an alternative to ingestion or smoking.

TOK is subject to a number of U.S., Canadian federal and provincial and foreign laws and regulations that involve matters central to TOK's business. These laws and regulations may involve privacy, rights of publicity, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection, taxation or other subjects. Many of these laws and regulations are still evolving and being tested in courts and could be interpreted in ways that could harm TOK's business. In addition, the application and interpretation of these laws and regulations often are uncertain, particularly in the new and rapidly evolving industry in which TOK operates.

TOK is also subject to U.S. federal and state laws, as well as, foreign laws regarding privacy and the protection of user data. Foreign data protection, privacy, consumer protection, content regulation and other laws and regulations are often more restrictive than those in Canada and the U.S. There are also a number of legislative proposals pending before various local and foreign governments concerning data protection that could affect TOK. See "*Regulatory Considerations*" below.

Regulatory Considerations

Canadian Companies with U.S. Marijuana-Related Assets

In accordance with the Canadian Securities Administrators Staff Notice 51-352 (Revised) dated February 8, 2018 – *Issuers with U.S. Marijuana-Related Activities ("CSA Notice 51-352")*, below is a table of concordance that is intended to assist readers in identifying those parts of this Listing Statement that address the disclosure expectations

outlined in Staff Notice 51-352. In accordance with CSA Notice 51-352, TOK will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

Industry Involvement	Specific Disclosures Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Listing Statement Cross Reference
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	<i>Section 3 – General Development of the Business – TOK History (p. 12); Section 4 – Narrative Description of the Business – General Business of TOK – Overview (p.14)</i>
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	<i>Caution Regarding Business (disclosure in bold typeface); Section 4 – Narrative Description of the Business – Regulatory Considerations – United States Federal Law (p.28); - U.S. Enforcement Proceedings (p.35)</i> <i>Section 17 – Risk Factors – U.S. Federal Laws (p.59)</i>
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	<i>Section 4 – Narrative Description of the Business – Regulatory Considerations – Enforcement of U.S Federal Laws (p.33)</i> <i>Section 17 – Risk Factors – Changes in Laws, Regulations and Guidelines (p.60); – U.S. Federal Laws (p.60)</i>
	Outline related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.	<i>Section 17 – Risk Factors – Reliance on Securing Agreements with Licensed Suppliers (p59); - Additional Financing (p. 59); – Changes in Laws, Regulations and Guidelines (p.60); – U.S. Federal Laws (p.60); - Local regulation could change and negatively impact TOK's operations (p.61); - Regulation that may hinder TOK's ability to establish and maintain bank accounts (p.61); - Uninsurable risks (p.62)</i>
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are/are not available in order to support continuing operations.	<i>Section 4 – Narrative Description of the Business – Regulatory Considerations – Ability to Access Public and Private Capital (p.36); and – Enforcement of U.S. Federal Laws (p. 33);</i> <i>Section 17 – Risk Factors – Additional Financing (p.59)</i>
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana-related activities.	<i>Section 5 – Selected Consolidated Financial Information (Appendices D and E)</i> <i>Note: at the time of the Listing Statement, the major operations of the Resulting Issuer are</i>

Industry Involvement	Specific Disclosures Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Listing Statement Cross Reference
		<i>only in the United States</i>
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	<i>Legal advice has been obtained, Section 4 – Narrative Description of the Business – Regulatory Considerations – United States Federal Law – State Regulation of Industrial Hemp (p.31).</i>
U.S. Marijuana Issuers with direct involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	<i>Section 4 – Narrative Description of the Business – Regulatory Considerations – State Regulation of Industrial Hemp (p.31); - Ongoing and Future Uncertainty of Legal Status (p.32)</i>
	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.	<i>Section 4 – Narrative Description of the Business – Regulatory Considerations – Canadian Companies with U.S. Marijuana-Related Assets (p.26);– Enforcement of U.S.Federal Law (p. 33)</i>
U.S. Marijuana Issuers with indirect involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer's investee(s) operate.	<i>Not applicable.</i>
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any non-compliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.	<i>Not applicable.</i>
U.S. Marijuana Issuers with material ancillary involvement	Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	<i>Not applicable.</i>

United States Federal Law

In the United States, thirty states, Washington D.C. and Puerto Rico have legalized medical marijuana, and nine states and Washington D.C. have legalized recreational marijuana. At the federal level, however, “marihuana” currently remains a Schedule I drug under the *Controlled Substances Act of 1970* (CSA). Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, marijuana-related

practices or activities, including without limitation, the manufacture, importation, possession, use, or distribution of marijuana remain illegal under United States federal law.

Of note, U.S. federal law does not deal separately with CBD and THC and so there is a degree of uncertainty with respect to the legality of CBD-only products in the United States. Due to the fact that TOK's products contain CBD that is derived from industrial hemp grown legally in the United States, while TOK has received a certain degree of comfort on the legality of its products, there remains a degree of uncertainty and therefore the following regulatory considerations and background information have been provided for information.

Federal Regulation of Industrial Hemp

TOK acquires hemp extracts and oils from USDA approved farmers and co-ops in Colorado. While TOK is not directly subject to regulations related to the cultivation of industrial hemp, the regulation of its third party suppliers has a significant impact upon its business. Therefore, any enforcement activity impacting TOK's suppliers or any additional uncertainties regarding regulation of industrial hemp which may arise in the future in the United States, could cause substantial interruption or cessation of TOK's business, including adverse impacts to our supply chain in the United States and distribution channels, and other civil and/or criminal penalties at the federal level. A summary of the history and current status of regulation of hemp and cannabinoids in the US follows.

On August 29, 2013, the U.S. Department of Justice (“**DOJ**”), issued a memorandum known as the “Cole Memorandum” to all U.S. Attorneys’ offices (federal prosecutors) acknowledging that, notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several states had enacted laws relating to cannabis for medical purposes. The Cole Memorandum outlined the priorities for the DOJ relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the DOJ never provided specific guidelines for what regulatory and enforcement systems it deemed sufficient under the Cole Memorandum standard. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority.

Prior to 2014, pursuant to the CSA, a permit from the DEA was required to grow any variety of the plant *Cannabis sativa L.* While the CSA definition of “marihuana” included an explicit exemption for certain portions of the Cannabis plant, such as the stalk and non-viable seed, sometimes referred to as “non-psychoactive hemp,” the cultivation restrictions on cannabis effectively curtailed cultivation of hemp as a domestic agricultural crop in the United States.

In 2014, Congress enacted the Agricultural Act of 2014 (the “**2014 Farm Bill**”) which provided for the cultivation of industrial hemp as part of agricultural pilot programs for adoption by individual states and research by educational institutions. Approximately 30 states implemented legislation pursuant to the 2014 Farm Bill, which include a variety of requirements relating to registration of cultivators and processors, the involvement of institutions of higher education and permissible commercialization.

In response, the DEA took action and seized shipments of viable hemp seeds into certain states thereby impacting the full implementation of the 2014 Farm Bill. Congress responded by enacting the *Consolidated and Further Continuing Appropriations Act, 2015*, which contained provisions to block federal law enforcement authorities from interfering with state agencies and hemp growers, and to counter efforts to obstruct agricultural research, stating that “none of the funds made available” to the US Justice Department and DEA “may be used in contravention” of the 2014 Farm Bill. Similar language was included in the *2016 Consolidated Appropriations Act*, and as further support, the USDA was also blocked from prohibiting the transportation, processing, sale or use of industrial hemp that is grown or cultivated in accordance with the 2014 Farm Bill. This language was carried into the *2017 Consolidated Appropriations Act* and also the most recent *Consolidated Appropriations Act, 2018* which is in effect until September 30, 2018.

On August 12, 2016, the USDA, with the concurrence of the U.S. Drug Enforcement Agency (“**DEA**”) and the U.S.

Food and Drug Administration (“FDA”), issued a Statement of Principles on Industrial Hemp with the stated purpose of informing the public on how federal law applies to activities industrial hemp that is grown and cultivated in accordance with the 2014 Farm Bill. It acknowledged that the Statement of Principles did not establish any binding legal requirements. The USDA attempted to clarify the scope of the 2014 Farm Bill including outlining which conduct was authorized pursuant to the 2014 Farm Bill. The Statement of Principles further outlined that it did not believe the 2014 Farm Bill provided for “general commercial activity.” Criticism of the Statement of Principles ensued, including accusations by Congressional representatives alleging the Statement of Principles was seeking to administratively constrain explicit Congressional legislation.

In December 2016, the DEA published the “Final Rule” to establish a definition for “marihuana extract”. The Final Rule was initially proposed in July 2011 and final action on the proposed rule was originally scheduled for February 2012. In the Final Rule, “marihuana extract” was defined for the first time under U.S. law as “an extract containing one or more cannabinoids that has been derived from any plant of the genus *Cannabis*” and the DEA established a four-digit code for the tracking of “marihuana extract.” The DEA issued a memorandum to clarify the new drug code and claimed the rule is administrative in nature and helps the agency better track research and meet international drug treaty requirements. The memorandum stated that the new drug code was merely a subset of what has always been included in the CSA definition of marijuana. The implication was that that cannabinoids derived from marijuana or hemp were included as a Schedule 1 controlled substance and thus required a DEA permit.

There were questions raised as to whether the DEA had the legal authority to enact the Final Rule and the Final Rule was challenged by the Hemp Industries Association in the Ninth Circuit Court on the basis that the Final Rule unilaterally created a new drug code without following the proper administrative procedures. See *Hemp Industries Association, et al v. US DEA, et al*, Case No. 17-70162 (9th Cir. filed Jan. 13, 2017). In the DEA’s responding brief in the pending litigation on the Final Rule, the DEA conceded that it maintained no jurisdiction with regard to 2014 Farm Bill activities. Despite the DEA’s concession that it maintained no jurisdiction with regard to 2014 Farm Bill activities, in practice, there remained concern over the extent to which other federal, state and local agencies defer to the DEA’s earlier, negative position towards the 2014 Farm Bill in the Statement of Principles. Potential adverse impacts included limited, misguided enforcement by state and local authorities that might be confused by DEA’s conflicting interpretations of, and misrepresentations of the congressional intent behind, the 2014 Farm Bill hemp’s amendment.

On April 30, 2018, the Ninth District Court, issued a memorandum pursuant to which the petition by the Hemp Industries Association was denied due to technical considerations, however, the Court did say that the industrial hemp provisions of the 2014 Farm Bill pre-empt the CSA.

Shortly after the Hemp Industries Association filed its petition blocking enforcement of the Final Rule, it filed another action seeking to direct the DEA to show cause why it should not be held in contempt for failure to comply with a 2004 order that permanently enjoined the DEA from regulating hemp fiber, stalk, sterilized seed and oil as a controlled substance. In 2003, the DEA issued two final rules: one that expanded the CSA Schedule 1 listing of synthetic THC to include THC “naturally contained in a plant of the genus *Cannabis* (*cannabis* plant), and a second that exempted hemp fiber, seed and oil products containing THC not intended for human consumption from control (the “**2003 Rules**”). The collective result of the 2003 Rules was to classify all naturally-occurring THC intended for human consumption as a Schedule 1 controlled substance. In 2004, the Hemp Industries Association was successful in obtaining an injunction from the Court of Appeals of the Ninth Circuit prohibiting the DEA from enforcing the 2003 Rules (with respect to non-psychoactive hemp or products containing it”). See *Hemp Industries Association v. DEA Enforcement Admin.*, 357 F. 3d 1012 (9th Cir. 2004). However, the DEA never took action as a result of the injunction, including not amending its listing of THC in Schedule 1 of the CSA. Until December 2016, the DEA also did not appear to have taken any enforcement action under the enjoined regulation, until the North Dakota Department of Agriculture advised a state-licensed farmer/producer that a planned shipment of hempseed oil out of the state would require a DEA registration, citing the federal CSA. This action prompted Hemp Industries Association to file a motion for contempt with the Court of Appeals of the Ninth Circuit for failing to comply with the 2004 injunction.

On May 25, 2018, the Hemp Industries Association reached a negotiated settlement with respect to the longstanding legal action from 2004, to uphold the legality of consumption, manufacturing and sale of hemp food products. This settlement restrains further illegal attempts and actions by the DEA to regulate hemp foods as Schedule I drugs. As

noted by the Hemp Industries Association in a press release issued June 8, 2018, significantly, the DEA issued an internal and external directive to federal agencies, with language agreed to by the parties, clarifying that the mere presence of cannabinoids does not render material a controlled substance—as the issue of whether a material constitutes a drug is rather in fact determined by whether the material is derived from the non-exempt parts of the plant. The Hemp Industries Association’s hope is that this directive should provide clarity to federal agencies and minimize interference with the expanding flow of hemp commerce. This directive should also have an impact on certain states that have enacted similar Controlled Substance Acts which prohibit or narrowly restrict the distribution, sale, possession and/or use of any products containing even trace amounts of THC.

The importation of industrial hemp raw materials and finished products have historically been permitted pursuant to, and when derived from, the above-mentioned CSA exemption of certain portions of the cannabis plant from the definition of marijuana. However, the emergence of a market for CBD and cannabinoids (other than THC) derived from cannabis has increased the scrutiny of imported industrial hemp raw materials for compliance with the CSA and relevant FDA regulation with respect to products intended for use by either humans or animals. To date, TOK has not received notice from any of its retailers or distributors that they are no longer continuing to sell its products.

State Regulation of Industrial Hemp

While TOK had obtained a legal opinion that the sale of its products that contain CBD derived from industrial hemp grown in the U.S. are legal in all 50 states, there remains uncertainty. CBD may be derived from either hemp or marijuana, however, it is primarily derived from hemp. TOK’s CBD is currently derived from cannabinoids extracted from controlled strains of USDA approved industrial hemp that is certified organically grown by quality and ethical USDA approved farmers and co-ops located in Colorado that are in compliance with state and federal regulations and approved by the Colorado Department of Agriculture. Accordingly, the laws applicable to the CBD used by TOK in its products are those of the State of Colorado.

In 2012, Amendment 64 to the Colorado Constitution directed the General Assembly to enact legislation governing the cultivation, processing, and sale of industrial hemp. Legislation adopted in 2013 delegated the responsibility for establishing institutional and commercial registration and inspection regulations to the Colorado Department of Agriculture (the “CDA”). The CDA adopted rules and regulations that set forth the requirements of registration and inspection.

After the 2014 Farm Bill’s passage, the state of Colorado passed the *Industrial Hemp Regulatory Program* pursuant to *The Hemp Act of 2014* (the “**Colorado Hemp Act**”). The Colorado Hemp Act expressly authorized two categories of industrial hemp cultivation registration: (i) research and development (“**R&D**”) and (ii) commercial. R&D is limited to institutions of higher education or any person or legal entity under a pilot program administered and directed by the CDA for purposes of agricultural or academic research in the development of industrial hemp. Commercial cultivation is generally understood to mean the growth of industrial hemp for any purpose including engaging in commerce, market development, and market research, by any person or legal entity other than an institution of higher education or under a pilot program administered by the CDA.

Accordingly, pursuant to bills, laws, regulations and policies set forth by the U.S. federal government and the U.S. Office of the Attorney General, the CDA has accepted, and continues to accept, Commercial Industrial Hemp Applications. All compliant Colorado Hemp Act registrations are deemed 2014 Farm Bill compliant by the federal government.

Through contract, we source all industrial hemp from 2014 Farm Bill compliant registrants and contractors to manufacture hemp extract from the hemp material. Effective, July 1, 2017, the Colorado Department of Public Health and Environment (the “**CDPHE**”), established and published its policy regarding manufacturers of products intended for human consumption made from oils (extracts) and other derivatives from industrial hemp. This policy now allows these manufacturers to register with CDPHE as a manufacturer of food products pursuant to Colorado law, where prior permit applications were previously withheld and/or unprocessed. The CDPHE policy allows for food products to be manufactured in Colorado, so long as, among other conditions, the hemp derivatives are sourced from compliant sources in good standing with governing state laws and that finished products contain no more than 0.3% THC, to be demonstrated by testing assays. Our contracted manufacturer is registered and in good standing with CDPHE; its hemp extract is, therefore, produced lawfully under Colorado state law.

Until such time as the Resulting Issuer relocates its operations to Canada, the TOK currently operates and distributes its products out of its facility located in Spokane, Washington. The Washington State Liquor and Cannabis control board (“**WSLCB**”) manages the Washington State i502 cannabis licensing program and the state licensed operators, therein. The law creates three separate tiers: (i) marijuana producer, (ii) marijuana processor, and (iii) marijuana retailer. Specific license requirements are detailed in the rules on the WSLCB website, however, they only apply to CBD that is derived from marijuana, as compared to industrial hemp. TOK is not able to obtain a license under the i502 cannabis licensing program or otherwise in Washington as its CBD is not derived from marijuana. Similarly the licensed medicinal cannabis retail distribution channels in Washington do not include CBD products that are derived from industrial hemp. Accordingly, TOK operates in compliance with all applicable laws in the State of Washington.

When packaged into a final product for distribution, TOK believes it is operating within the bounds of federal and state law and may sell its products into various states. TOK currently supplies products to retail stores or other distributors located in 20 states in the U.S. that are in compliance with applicable regulations. There are 17 states that have specifically adopted laws legalizing CBD containing less than 0.3% THC up to as high as 8% THC, and a total of 46 states allow for medical use of CBD with a prescription from a licensed dispensary and 8 of these states have passed laws relating to recreational use of CBD.

Ongoing and Future Uncertainty of Legal Status

The latest directive by the DEA on May 22, 2018, entitled “DEA Internal Directive Regarding the Presence of Cannabinoids in Products and Materials Made from the Cannabis Plant” made it clear that products and materials made from parts of the cannabis plant that fall outside the definition of marijuana (such as sterilized seeds, oil or cake made from the seeds, and mature stalks) – namely hemp and hemp seed, even if they contain cannabinoids, are not controlled under the CSA. However, the directive was intentionally silent on industrial hemp, which is arguably the largest source of CBD in the United States. As a result, the legal status of CBD derived from industrial hemp was not clarified in the directive. The Ninth Circuit statement that the 2014 Farm Bill pre-empts the CSA, coupled with the prohibition by Congress for the use of federal funds to interfere with the “transportation, sale, or use” of industrial hemp, leads to the conclusion that CBD extracted from industrial hemp is outside the DEA’s jurisdiction and can be sold interstate, at least until September, 2018, while the *2018 Consolidated Appropriations Act* remains in force.

Ultimately, there remain a number of considerations and uncertainties regarding the sourcing and distribution of industrial hemp and products containing hemp derivatives. Applicable laws and regulations remain subject to change as there are different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses with respect to the treatment of the importation of derivatives from exempted portions of the cannabis plant and the scope of operation of 2014 Farm Bill compliant hemp programs relative to the CSA and the emerging regulation of cannabinoids. These different federal, state and local agency interpretations, as discussed above, touch on the regulation of cannabinoids by the DEA and/or the FDA and the extent to which imported derivatives and/or 2014 Farm Bill - compliant cultivators and processors may engage in interstate commerce, whether under federal and/or state law. The uncertainties likely cannot be resolved without further federal legislation, regulation or a definitive judicial interpretation of existing legislation and rules.

Industrial hemp farming legislation has historically been re-introduced during each session of Congress, in attempts to further clarify and explicitly expand the scope of permitted industrial hemp activities within the United States. However, past legislative attempts to remove hemp from the CSA, including six bills in the House and three in the Senate since 2005, did not make it to a floor vote. Despite this, the *Hemp Farming Act of 2018* was introduced on April 12, 2018, by Senate Leader Mitch McConnell, the Republican Senator for Kentucky, with strong support from Senator Ron Wyden, the Senior Democratic Senator for Oregon, and further bi-partisan support from Jeff Merkley, the junior Democratic Senator for Oregon. The companion bill was introduced in the House of Representatives by Colorado Democratic Representative Jared Polis, as a co-sponsor. Senate Leader McConnell invoked Rule 14 which allows for by-passing the Committee review stage normally required at both the Senate and House of Representative levels. This is seen as a way to fast-track the legislation to where it can be debated and then voted on by members of each of the House of Representatives and the Senate, and then submitted to the President for adoption as a law. However, this process does not guarantee that the bill will be considered and voted upon and no vote has been set.

If passed, the *Hemp Farming Act of 2018* would amend the *Agricultural Act of 1946* to provide for state and tribal regulation of hemp production. Importantly, the *Hemp Farming Act of 2018* would also amend the CSA to specifically state that marijuana does not include “hemp” as defined in the *Agricultural Act of 1946*, and also that THC under the CSA does not include THC in hemp. The proposed definition of hemp is cast broadly to include any part of the *Cannabis sativa* L. plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, salts of isomers, whether growing or not, with a delta-9 THC concentration of not more than 0.3 percent on a dry weight basis.

The move would provide substantial support for the rapidly growing hemp industry in the U.S., and would include access to federal research funding for hemp, remove restrictions on banking, water rights, and other regulatory issues currently faced by the hemp industry. The bill would also explicitly authorize crop insurance for hemp. Senator McConnell stated: "Today, with my colleagues, I am proud to introduce the bipartisan Hemp Farming Act of 2018, which will build upon the success of the hemp pilot programs and spur innovation and growth within the industry. By legalizing hemp and empowering states to conduct their own oversight plans, we can give the hemp industry the tools necessary to create jobs and new opportunities for farmers and manufacturers around the country."

The activities of TOK are subject to evolving laws, regulations and guidelines that are subject to changes by governmental authorities in the U.S. and elsewhere. See “*Risk Factors – Changes in Laws, Regulations and Guidelines*”.

FDA Regulation

Of note, CBD is considered a drug by the FDA, however, according to the FDA, prior to the recent approval on April 19, 2018, of a CBD drug application by British company GW Pharmaceuticals, to date the FDA has not approved a marketing application for marijuana for any indication. The 99% purity CBD drug was approved by the FDA for treatment of rare, severe, refractory epilepsy syndromes in early childhood.

There is substantial uncertainty and different interpretations among state and federal regulatory agencies, legislators, academics and businesses as to whether cannabinoids as an ingredient were present in the food supply without being chemically altered, and marketed in the United States prior to October 15, 1994, or whether such inclusion of cannabinoids is otherwise approved by the FDA as a dietary ingredient. This determination is relevant as dietary ingredients marketed in the United States prior to October 15, 1994 may be used in dietary supplements without notifying the FDA. A position on this matter has not been definitively established by the FDA. Should the FDA decide to make a determination that hemp products containing cannabinoids were not present in the food supply and marketed prior to October 15, 1994, or are not otherwise approved by the FDA as a dietary ingredient, or are adulterants, this would have a materially adverse effect upon our business. The FDA may issue rules and regulations including requiring certified good manufacturing practices related to the growth, cultivation, harvesting and processing of CBD-infused products, and clinical trials may be needed to verify efficacy and safety of the products. Since 2015, to date, the FDA and other law enforcement agencies have recently taken steps to pursue companies that manufacture CBD- infused products that make health and medical claims about their products, and may take steps to pursue companies that manufacture cannabis products. TOK is careful not to make any health and medical claims in the marketing of its products. See “*Risk Factors*”.

Enforcement of U.S. Federal Laws

Although federally illegal, following the issuance of the Cole Memorandum, the U.S. federal government’s approach to enforcement of such laws has at least until recently trended toward non-enforcement. While not legally binding, and merely prosecutorial guidance, the Cole Memorandum laid a framework for managing the tension between state and federal laws concerning state-regulated marijuana businesses.

However, on January 4, 2018 the Cole Memorandum was rescinded by Attorney General Jeff Sessions, a long-time opponent of state-regulated medical and recreational cannabis. While this did not create a change in federal law, as the Cole Memorandum was not itself law, the revocation removed the DOJ’s guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum’s guidelines should not be a prosecutorial priority.

In addition to his rescission of the Cole Memorandum, A.G. Sessions also issued a one-page memorandum known as the “Sessions Memorandum.” The Sessions Memorandum confirmed the rescission of the Cole Memorandum and explained the rationale of the DOJ in doing so: the Cole Memorandum, according to the Sessions Memorandum, was “unnecessary” due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney’s Manual (the “USAM”).

The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government’s limited resources, and include “law enforcement priorities set by the Attorney General,” the “seriousness” of the alleged crimes, the “deterrent effect of criminal prosecution,” and “the cumulative impact of particular crimes on the community.”

While the Sessions Memorandum emphasizes that marijuana is a Schedule I controlled substance, and reiterates the statutory view that cannabis is a “dangerous drug and that marijuana activity is a serious crime,” it does not otherwise indicate that the prosecution of marijuana-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly described itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether or not to prosecute marijuana-related offenses. TOK monitors all U.S. Attorney comments related to regulated medical and adult-use cannabis laws to assess various risks and enforcement priorities within each jurisdiction. Dozens of U.S. Attorneys across the country have affirmed that their view of federal enforcement priorities has not changed, although a few have displayed greater ambivalence. In California, at least one U.S. Attorney has made comments indicating a desire to enforce the CSA: Adam Braverman, Interim U.S. Attorney for the Southern District of California, has been viewed as a potential enforcement hawk after stating that the rescission of the Cole Memorandum “returns trust and local control to federal prosecutors” to enforce the CSA. Additionally, Greg Scott, the Interim U.S. Attorney for the Eastern District of California, has a history of prosecuting medical cannabis activity: his office published a statement that cannabis remains illegal under federal law, and that his office would “evaluate violations of those laws in accordance with our district’s federal law enforcement priorities and resources.”

It is too soon to determine what prosecutorial effects will be created by the rescission of the Cole Memorandum. While initial fears of a nationwide “crackdown” have not yet materialized, considerable uncertainty remains.

Regardless, marijuana remains a Schedule I controlled substance at the federal level, and neither the Cole Memorandum nor its rescission has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. From a purely legal perspective, the criminal risk today remains identical to the risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered.

Additionally, under U.S. federal law it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. Despite these laws, the U.S. Department of the Treasury issued a memorandum in February of 2014 (the “**FinCEN Memorandum**”) outlining the pathways for financial institutions to bank state sanctioned marijuana businesses. Under these guidelines, financial institutions must submit a “suspicious activity report” (“**SAR**”) as required by federal money laundering laws. These marijuana related SARs are divided into three categories: marijuana limited, marijuana priority, and marijuana terminated, based on compliance with state law, or where the banking relationship has been terminated.

Further, the provisions of Internal Revenue Code section 280E are being applied by the Internal Revenue Service (“**IRS**”) to businesses operating in the medical and adult use marijuana industry. Section 280E of the IRS prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be. See “*Risk Factors*”.

On the same day the FinCEN Memorandum was published, the DOJ issued a memorandum (the “**2014 Cole Memo**”) directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. The 2014 Cole Memo has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes was not a DOJ priority.

However, Attorney General Sessions’ revocation of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memo and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum can act as a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact.

For the reasons set forth above, TOK’s business in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, TOK may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on TOK’s ability to carry on its business in the United States or any other jurisdiction. See “*Risk Factors*”.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public’s perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to revoke existing legislation or abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of state jurisdictions into which TOK could expand. Any inability to fully implement TOK’s expansion strategy may have a material adverse effect on TOK’s business, financial condition and results of operations. See “*Risk Factors*”.

Further, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on TOK, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares.

In addition, it is difficult for TOK to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. See “*Risk Factors*”.

U.S. Enforcement Proceedings

Although the Cole Memorandum and 2014 Cole Memo have been rescinded, one legislative safeguard for the medical marijuana industry remains in place: Congress has used a rider provision in the FY 2015, 2016 and 2017 Consolidated Appropriations Acts (currently the “**Rohrabacher-Leahy Amendment**”) to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. The Rohrabacher-Leahy Amendment was included in the FY 2018 budget in the *Consolidated Appropriations Act, 2018*, passed on March 23, 2018, meaning that, the Rohrabacher-Leahy Amendment will only remain in effect until September 30, 2018, when FY 2019 begins. Any further legislative safeguards for the medical marijuana industry will need to be reintroduced.

TOK operates in a highly regulated industry, which to date remains illegal under U.S. federal law and is relatively new in most U.S. states. There is no certainty that any of the local, state, or federal governments of jurisdictions where TOK operates will continue to maintain current regulatory regimes, changes to regulatory regimes could adversely affect TOK’s operations. Please see the “*Risk Factors*” section.

Ability to Access Public and Private Capital

TOK has historically, and continues to have, access to equity and debt financing from the prospectus exempt (private placement) markets in Canada and the United States. While TOK is not able to obtain bank financing in the U.S. or financing from other U.S. federally regulated entities, it currently has access to equity financing through the private markets in Canada and the U.S. TOK's executive team and board also have extensive relationships with sources of private capital (such as funds and high net worth individuals), that could be investigated at a higher cost of capital.

If such equity and/or debt financing was no longer available in the public markets in Canada due to changes in applicable law, then TOK expects that it would have access to raise equity and/or debt financing privately. Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals and family offices that have made meaningful investments in companies and projects similar to TOK's projects. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to TOK when needed or on terms which are acceptable. TOK's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See "*Risk Factors – Additional Financing*".

Canadian Law

Legal access to dried cannabis for medical purposes was first allowed in Canada in 1999 through Section 56 Exemptions under the *Controlled Drugs and Substances Act* ("CDSA"). The decision of the Court of Appeal for Ontario in 2000 in *R. v. Parker* held that individuals with a medical need had the right to possess cannabis for medical purposes. This led to the implementation of the *Medical Marijuana Access Regulations* in 2001, giving residents of Canada, who had been authorized by their health care practitioners, access to cannabis for medical purposes by producing their own cannabis plants, designating someone to do so on their behalf, or purchasing cannabis from Health Canada.

In June 2015, the Supreme Court of Canada decided in *R. v. Smith* that restricting legal access to only dried cannabis was unconstitutional. The Court decided that individuals with a medical need have the right to use and make other cannabis products. To eliminate uncertainty around a legal source of supply of cannabis, in July 2015 the Minister issued Section 56 Exemptions under the CDSA to allow, among other things, licensed producers to produce and sell cannabis oil and fresh cannabis in addition to dried cannabis, and to allow authorized users to possess and alter different forms of cannabis.

On August 24, 2016, the Access to Cannabis for Medical Purposes Regulations ("ACMPR") were enacted as a result of a decision by the Federal Court of Canada in February 2016, in *Allard v. Canada*, which found that requiring individuals to obtain cannabis only from licensed producers violated liberty and security rights protected by section 7 of the Canadian Charter of Rights and Freedoms. The Court found that individuals who require cannabis for medical purposes did not have "reasonable access" under the former regime.

The ACMPR are the current governing regulations regarding the production, sale, and distribution of cannabis products, including cannabis oil and CBD, in Canada. Canada's *Industrial Hemp Regulations* came into force on March 12, 1998 and provides a regulatory approval process for the commercial production of industrial hemp for persons in Canada engaged in the cultivation, distribution, importation, exportation, and processing of industrial hemp. Industrial hemp includes cannabis plants and plant parts, of any variety, that contains 0.3% THC or less in the leaves and flowering heads. Industrial hemp also includes the derivatives of industrial hemp plants and plant parts, however, it does not currently include the flowering parts or the leaves. Examples of derivatives that are considered industrial hemp include: hemp seed oil (oil derived from seed or grain) and hemp flour. CBD is specifically included in Schedule II to the CDSA, for which possession is an indictable offence, unless the person has a prescription under the ACMPR.

The process of becoming a licensed producer is rigorous and management of TOK believes that this process presents a significant barrier to entry for prospective licensees. In addition, Health Canada requires rigorous testing of

cannabis products and derivatives provided by licensed producers. A licensed producer is subject to a wide variety of compliance and enforcement activities conducted by Health Canada after it has received its license.

On April 20, 2016, the Government of Canada announced its intention to introduce, by the spring of 2017, legislation to legalize the recreational use of cannabis in Canada. On April 13, 2017, the *Cannabis Act* was introduced. The *Cannabis Act* provides a licensing and permitting scheme for the production, testing, packaging, labelling, sending, delivery, transportation, sale, possession, and disposal of cannabis, to be implemented by regulations made under the *Cannabis Act*.

Under the proposed legislation, the production, sale and possession of certain amounts of cannabis will be legal federally, though provinces will ultimately decide how cannabis, including CBD products, will be distributed and sold within their boundaries, subject to federal requirements. The *Cannabis Act* will create a highly regulated landscape for businesses looking to produce, distribute or deal in cannabis products. However, the *Cannabis Act* does not address in detail a number of key issues, including relating to labelling, marketing, transition, licensing requirements and taxes. These will need to be addressed by the Canadian Government in regulations and rules over the next year or more, and the Canadian Government will also need to work out issues with the provinces and municipalities.

The Cannabis Act was passed by the Senate on June 19, 2018, however, until it is declared in force, existing laws (including criminal sanctions) will continue to apply. The Cannabis Act is expected to be declared in force on October 17, 2018.

As the cannabis industry expands in Canada, cannabis-related businesses will increasingly seek banking and financial services from Canadian financial institutions. Cannabis related businesses may be considered high-risk clients under the Canadian anti-money laundering regime. The current licensing regime for medicinal cannabis producers is comprehensive and requires that the Canadian Government complete extensive reviews and background checks on each licensed producer. A similarly comprehensive licensing regime is expected under the new legislation to legalize recreational cannabis. While Management of TOK hopes that financial institutions will rely on the government's stringent vetting process to confirm the legitimacy of a cannabis producer, the decision to open any particular cannabis-related account will ultimately be made by each financial institution.

Health Canada data shows that 201,398 patients in Canada were registered to use medical marijuana by the end June of 2017, establishing a market worth in excess of \$100 million. By 2024, Health Canada estimates that the number of patients using medical marijuana will grow to 450,000, creating a market worth an estimated \$1.3 billion.

European Law

As reported by the European Industrial Hemp Association (“**EIHA**”), there is no or only a patchwork of CBD regulation in Europe. In contrast to tetrahydrocannabinol (THC), natural CBD is not psychotropic and non-intoxicating. Therefore, the EIHA believes it is just and reasonable that CBD is not covered by the national narcotic acts or drug regulations of the 27 EU Member States (from 28 with the exception of Slovakia) and that CBD is not restricted by any EU legislation. However, regarding CBD-containing hemp extracts, the situation is not as clear as for CBD as a pure substance, because it could also contain THC, which is covered by national narcotics acts in EU Member States.

The Health Products Regulatory Authority of Ireland (the “**HPRA**”) published a report dated January 31, 2017, entitled “*Cannabis for Medical Use – A Scientific Study*”. It defined CBD as: Non-psychotogenic constituent of cannabis, sedative and anti-convulsant properties. CBD does not act via the endocannabinoid system. It was noted that CBD is not controlled under the *Misuse of Drugs Regulations, 1988*, as amended, the major piece of legislation with governs the EU Member States.

Brazil Law

Brazil is an Exceptional Use jurisdiction. Companies can only send those products to patients in Brazil that are registered with Brazilian Health Surveillance Agency (Agência Nacional de Vigilância Sanitária (“**ANVISA**”), the Brazilian governmental authority. ANVISA was created on January 26, 1999, by Law No. 9,782. It is a

governmental regulatory agency characterized by its administrative independence, financial autonomy, and the stability of its directors. ANVISA is governed by a Collegiate Board of Directors composed of five members. In the federal public administrative structure, the agency is connected to the Ministry of Health, Brazil, with whom a periodic management contract is signed.

On March 18, 2016, ANVISA enacted a resolution which was published in the country's Official Gazette on March 21, 2016. The resolution allows the prescription and the import of products containing CBD or THC in their formulation. The authorization to import these products is granted to individuals for their own exclusive use in health care, and the import must meet all the legal provisions including those relating to good manufacturing practices. The patient or a legal guardian must apply to ANVISA (on the proper form) for exceptional authorization to import and use the product. Along with the form, the person must also include the prescription, a medical report, and a statement of responsibility and clarification signed by the physician and the patient or a legal guardian. In addition, the products to be imported must be legally authorized and manufactured in their countries of origin. A patient's registration is valid for one year and can be renewed, if it is necessary.

The regulatory requirements in Brazil are extremely complex. TOK has been working with consultants, regulatory and medical specialists to meet the requirements. TOK currently has approvals for 3 product lines in Brazil. TOK is working on additional product lines and developing new product lines for the markets in Brazil.

5. SELECTED FINANCIAL INFORMATION

Courtland Selected Financial Information

The following table sets forth selected financial information for Courtland as at and for the nine month period ended December 31, 2017, and the financial years ended March 31, 2017, 2016 and 2015. Such information is derived from and should be read in conjunction with the unaudited financial statements and the notes thereto of Courtland for the three and nine month periods ended December 31, 2017, and the audited financial statement and notes thereto of Courtland as at and for the years ended March 31, 2017, March 31, 2016 and 2015 and the audited financial statement and notes thereto of Courtland as at and for the years ended March 31, 2017, 2016 and 2015, attached as *Appendix B* hereto.

Courtland's selected annual information, including net loss, loss per share, total assets and total long term financial liabilities for the years ended March 31, 2017, 2016 and 2015 are as follows:

	December 31, 2017 (unaudited) (US\$)	March 31, 2017 (audited) (US\$)	March 31, 2016 (audited) (US\$)	March 31, 2015 (audited) (US\$)
Revenue	Nil	Nil	Nil	Nil
Net Loss and Comprehensive Loss	(48,819)	(90,815)	(454,828)	(298,109)
Based and diluted net loss per share	(0.0004)	(0.0008)	(0.004)	(0.003)
Total Assets	8,293	56,418	157,357	566,608
Total Liabilities	76,467	75,773	85,897	40,370
Shareholders' Equity	68,174	56,418	157,357	56,608

For the period ended December 31, 2017, Courtland reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

Quarterly Highlights

The following table summarizes Courtland's key financial information for the last eight quarters.

	Gross Revenue	Net Loss	Loss per Share	
			Basic	Diluted
Q3 ended December 31, 2017	N/A	(13,122)	(\$0.0003)	(\$0.0003)
Q2 ended September 30, 2017	N/A	(34,009)	(\$0.0003)	(\$0.0003)
Q1 ended June 30, 2017	N/A	(\$11,404)	(\$0.0003)	(\$0.0003)
Q4 ended March 31, 2017	N/A	(\$16,697)	(\$0.0003)	(\$0.0003)
Q3 ended December 31, 2016	N/A	(\$19,624)	(\$0.0003)	(\$0.0003)
Q2 ended September 30, 2016	N/A	(\$27,317)	(\$0.0003)	(\$0.0003)
Q1 ended June 30, 2016	N/A	(\$44,203)	(\$0.0003)	(\$0.0003)
Q4 ended March 31, 2016	N/A	(\$350,991)	(\$0.0003)	(\$0.0003)

TOK Selected Financial Information

The following table sets forth selected financial information for TOK as at the years ended December 31, 2017 and 2016, and as at the end of the interim period ended March 31, 2018. Such information is derived from the financial statements of TOK and should be read in conjunction with such financial statements which are attached as Schedule "A" hereto:

	3 month period ended March 31, 2018 (\$)	Year ended December 31, 2017 (\$)	Year ended December 31, 2016 (\$)
Revenue	160,687	394,081	480,904
Total expenses	(406,985)	(5,752,671)	(1,176,922)
Net loss and comprehensive loss	(349,002)	(5,861,500)	(1,225,788)
Loss per share	(0.01)	(0.32)	(0.10)
Total assets	871,530	656,310	248,518
Total liabilities	1,153,062	958,840	1,674,294
Shareholders' Deficiency	(281,532)	(302,540)	(1,425,776)

Selected financial information for the previous quarters as follows:

Quarter ended	Revenues	Net loss and comprehensive loss	Net loss per share
March 31, 2018	\$160,687	\$(349,002)	\$(0.02)
December 31, 2017	\$146,514	\$(290,999)	\$(0.00)
September 30, 2017	\$63,646	\$(1,132,356)	\$(0.02)
June 30, 2017	\$73,234	\$(1,872,196)	\$(0.13)
March 31, 2017	\$110,687	\$(2,457,120)	\$(0.18)
December 31, 2016	\$217,440	\$(325,251)	\$(0.03)
September 30, 2016	\$154,700	\$(147,832)	\$(0.01)

Quarter ended	Revenues	Net loss and comprehensive loss	Net loss per share
June 30, 2016	NA	NA	NA

This information is derived from the financial statements of TOK and should be read in conjunction with such financial statements. See *Schedule "A"* attached hereto.

Dividends

There are no restrictions in the Resulting Issuer's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Proposed Transaction. The Resulting Issuer does not contemplate paying any dividends on any shares of the Resulting Issuer in the immediate future subsequent to the completion of the Proposed Transaction, as it anticipates investing all available funds to finance the growth of the Resulting Issuer's business. The board of directors of the Resulting Issuer will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on a per share basis. See "*Risk Factors – Potential Adverse Tax Consequences from the Payment of Dividends on Resulting Issuer Shares.*"

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Courtland

Courtland's Management's Discussion and Analysis ("**MD&A**") of financial results for the nine months ended December 31, 2017 and for the fiscal years ended March 31, 2017 and 2016, are attached as *Appendix C* to this Listing Statement and are intended to assist in the understanding of the significant changes in the financial condition and results of operations of Courtland for the nine months ended December 31, 2017, and for the years ended March 31, 2017 and 2016. The MD&A herein should be read in conjunction with Courtland's Financial Statements and the notes thereto, attached as *Appendix B* to this Listing Statement.

TOK

TOK's Management's Discussion and Analysis ("**MD&A**") of financial results, prepared as of March 31, 2018, and for the fiscal years ended December 31, 2017 and 2016, and dated the date hereof are attached as *Appendix E* to this Listing Statement and are intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of TOK for the three months ended March 31, 2018, and for the years ended December 31, 2017 and 2016. The MD&A herein should be read in conjunction with the TOK Financial Statements and the notes thereto, attached as *Appendix D* to this Listing Statement.

7. MARKET FOR SECURITIES

Prior to listing on the CSE, the Courtland common shares were listed and posted for trading on the NEX board of the TSX Venture Exchange under the symbol "CTD.H". There is no public market for any securities of TOK.

8. CAPITALIZATION

There have been no material changes to the share and loan capital of Courtland since March 31, 2017, being the date of the financial statements for Courtland's most recently completed financial year contained in this Listing Statement. The following table shows the change on the share and loan capital of the Issuer, on a consolidated basis since March 31, 2017, after giving effect to the Proposed Transaction.

Designation of Security	Amount Authorized	Amount outstanding as at March 31, 2017 (prior to giving effect to the Proposed Transaction) (audited) Cdn\$	Amount outstanding as at December 31, 2017 (after to giving effect to the Proposed Transaction) (unaudited) Cdn\$
Courtland Common Shares ⁽¹⁾	Unlimited	117,315,775 (\$5,417,337)	75,742,118 (\$26,108,314)
Courtland Options ⁽²⁾	N/A	Nil	4,500,000
Courtland Warrants ⁽³⁾	N/A	Nil	1,800,000
Long-Term Debt ⁽⁴⁾	N/A	Nil	391,918

Notes:

- (1) After giving effect to the Consolidation (49.16 to 1). Note the securities issuable upon conversion of the Courtland Debentures are not subject to the Consolidation.
- (2) After giving effect to the Proposed Transaction, outstanding options will include options to purchase 4,500,000 Courtland Common Shares at a price of \$0.70 per share for a period of five (5) years from the original grant date that will be issued in connection with the Proposed Transaction.
- (3) Each Courtland Debenture is convertible into one Common Share and 0.5 a Warrant. The Warrants consist of share purchase warrants which entitle the holder to acquire one Common Share at price of \$0.15 per Common Share for a period of 24 months from the date of issuance, which will be outstanding on Closing.
- (4) TOK is indebted in the amount of to two of its officers who are also a holder of TOK Shares. See “*Management’s Discussion & Analysis - Related Party Transaction and Key Management Compensation*” attached as *Appendix E*.
- (5) As of December 31, 2017, Courtland’s balance sheet disclosed a deficit of \$5,919,110 and as of March 31, 2018, TOK’s balance sheet disclosed a deficit of US\$9,324,096.

9. OPTIONS TO PURCHASE SECURITIES

Courtland has no outstanding options to acquire Courtland Common Shares. In connection with the Proposed Transaction, Courtland proposes to grant options to acquire Courtland Common Shares to officers, directors and consultants of the Resulting Issuer. Each such option being exercisable at a price of C\$0.70 per common share for a five-year term expiring from the date of Closing. The stock options will vest as 1/3 on each anniversary of the date of grant over three years, with the exception of options granted to two directors of Courtland, which expire in one year and vest immediately.

The shareholders of Courtland adopted a new form of stock option plan at a meeting held May 2, 2018. See a description of the stock option plan below.

Upon completion of the Proposed Transaction, the following options to purchase Courtland common shares are expected to be held by:

Category of Optionee	Number of Options to Purchase Resulting Issuer Shares	Exercise Price	Market Value on Date of Grant	Market Value	Expiry Date
Officers of the Resulting Issuer (Brian Main 1,000,000; Michael Caridi 1,000,000; Marco Guidi 600,000)	2,600,000	\$0.70	n/a	n/a	June 29, 2023
Directors of the Resulting Issuer who are not also officers of the Resulting Issuer (Rick Grass 500,000; Rino Adamo 500,000; Scott Reeves 500,000)	1,500,000	\$0.70	n/a	n/a	June 29, 2023

Category of Optionee	Number of Options to Purchase Resulting Issuer Shares	Exercise Price	Market Value on Date of Grant	Market Value	Expiry Date
All other employees of the Resulting Issuer	0	\$0.70	n/a	n/a	June 29, 2023
All consultants of the Resulting Issuer	0	\$0.70	n/a	n/a	June 29, 2023
Former Directors and Officers of the Resulting Issuer, as a group (Kristian Norman 200,000; Gene Maher 200,000)	400,000	\$0.70	n/a	n/a	June 29, 2019
TOTAL	4,500,000		n/a	n/a	

All of the options of the Resulting Issuer will be governed by the Option Plan.

Stock Option Plan

Courtland initially adopted a stock option plan which was last approved by the shareholders on December 16, 2009. At a meeting of the Courtland Shareholders held on May 2, 2018, and in connection with the application to list the Resulting Issuer Shares on the CSE, Courtland adopted a new form of Stock Option Plan that provides for the issuance of stock options to directors, officers, employees and consultants of up to 10% of the outstanding Common Shares, from time to time (the “**Plan**”). A copy of the Plan is attached as Schedule “A” of *Appendix C* to the Information Circular which has been filed on SEDAR at www.sedar.com.

The Plan provides that the board of directors of Courtland may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to Courtland, non-transferable options to purchase Common Shares exercisable for a period of up to five years from the date of grant. The exercise price for each option shall be determined by the Board of Directors, subject to the Policies of the CSE, at the time the option is granted, but such price shall not be less than the higher of the closing prices of the Common Shares on either the date of grant or the trading day prior to the date of grant. The exercise price may not be reduced without applicable regulatory approval. The Board may determine in its discretion which options shall vest and the method of vesting, subject only to compliance with the Policies of the CSE. Options may be exercised no later than 90 days following cessation of the optionee’s position with Courtland, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option.

The Plan also provides that the number of Common Shares, calculated on a fully diluted basis, reserved for issuance to directors, executive officers or related entities of Courtland, or an associate or permitted assign of directors, executive officers or related entities of the issuer (collectively, a “related party”) may not exceed 10% of the issued and outstanding Common Shares in a 12 month period (5% to an individual related party) and also, the number of Common Shares, calculated on a fully diluted basis, issued upon exercise of options may not exceed 10% of the issued and outstanding Common Shares (5% to an individual related party) in a 12 month period.

10. DESCRIPTION OF THE SECURITIES

The authorized share capital of Courtland consists of unlimited common shares without par value. As of the date of this Listing Statement, 117,315,775 Courtland Common Shares were issued and outstanding as fully paid and non-assessable shares, prior to giving effect to the Consolidation. See Section 8 “*Capitalization*” for the number of securities of the Resulting Issuer outstanding after giving effect to the Proposed Transaction.

Courtland Common Shares

The issued Courtland Common Shares are fully paid and not subject to any future call or assessment. In addition, all Courtland Common Shares rank equally as to voting rights, participation in a distribution of the assets of Courtland on a liquidation, dissolution or winding-up of Courtland and the entitlement to dividends. The holders of the Courtland Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each Courtland Common Share carries with it the right to one vote. The Courtland Common Shares have no pre-emptive, conversion, exchange, redemption, retraction, purchase for cancellation or surrender provisions and there are no sinking fund provisions in relation to the Courtland Common Shares.

In the event of the liquidation, dissolution or winding-up of Courtland or other distribution of its assets, the holders of the Courtland Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after Courtland has paid out its liabilities. Distribution in the form of dividends, if any, will be set by the Board.

Courtland Convertible Debentures

On February 23, 2018, Courtland closed the issuance of \$360,000 of principal amount of secured convertible debentures due February 22, 2019 (the “**Courtland Debentures**”). The Courtland Debentures bear interest at a rate of 8% per annum and the principal and interest are convertible into units of Courtland at a price of \$0.10 per share. Each unit consists of one common share of Courtland (post-Consolidation) and one half of one purchase warrant, with each whole purchase warrant being exercisable into one common share of Courtland at an exercise price of \$0.15 per share for a period of 24 months from the date of issue. The Courtland Debentures are secured by the assets of Courtland.

The Courtland Debentures were issued in order to provide funds for working capital to complete the Proposed Transaction. The sum of \$100,000 was loaned to TOK pursuant to a secured note bearing interest at 8% per annum and due August 23, 2018. The note is secured by a general security agreement over the assets of TOK.

Prior Sales

Courtland has issued the following securities within the past 12 months before the date of this Listing Statement.

<u>Date</u>	<u>Number of Convertible Debentures</u>	<u>Issue Price Per Convertible Debenture</u>	<u>Aggregate Issue Price</u>
February 22, 2018	360	\$1,000	\$360,000

The Convertible Debentures were issued pursuant to a non-brokered private placement. See “*Description of the Securities*” above.

Trading History

The Courtland common shares are listed and posted for trading on the NEX board of the TSX Venture Exchange under the symbol “CTD.H”. The following table sets out the high and low sales prices and trading volumes of the Common Shares for the periods indicated as reported by the TSX Venture Exchange. The stock was halted in connection with the Proposed Transaction on January 15, 2018. The prices have not been adjusted to give effect to the proposed Consolidation (49.16:1).

Period	High \$	Low \$	Close \$	Volume
April 1 – June 29, 2018	--	--	--	0
Quarter Ended March 31, 2018	--	--	--	0
Quarter Ended December 31, 2017	0.03	0.005	0.01	5,785,272
Quarter Ended September 30, 2017	0.005	0.005	0.005	375,504
Quarter Ended June 30, 2017	0.005	0.005	0.005	30,000
Quarter Ended March 31, 2017	0.01	0.005	0.005	1,149,413
Quarter Ended December 31, 201	0.01	0.005	0.005	1,573,025
Quarter Ended September 30, 2016	0.01	0.005	0.005	669,747
Quarter Ended June 30, 2016	0.005	0.005	0.005	492,375

Note:

- (1) The Courtland Shares were halted at its request on January 15, 2018, in connection with the announcement of the Proposed Transaction.

11. ESCROWED SECURITIES

As of the date hereof, none of the Courtland common shares are held in escrow. Upon completion of the Proposed Transaction, 12,675,825 Common Shares and options to purchase 1,000,000 Common Shares held by Brian Main and 11,074,270 Common Shares and options to purchase 1,000,000 Common Shares held by Michael Caridi, being the principals of the Resulting Issuer, will be subject to escrow restrictions in accordance with National Policy 46-201 “Escrow for Initial Public Offerings” (“NP 46-201”). A principal who holds securities carrying less than 1% of the voting rights attached to the Courtland’s outstanding securities following the Proposed Transaction will not be subject to the escrow requirements under NP 46-201. Under the NP 46-201, a “principal” is defined as:

- (a) a person or company who acted as a promoter of the issuer within two years before the IPO prospectus;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO; or
- (d) a 10% holder – a person or company that (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

To the best of the knowledge of the management of Courtland and TOK, as of the date of this Listing Statement, the following table discloses the names and municipalities of residence of the securityholders, the number of Courtland Common Shares that will be held in escrow upon completion of the Proposed Transaction pursuant to 46-201, and the percentage that those numbers represent of the outstanding Courtland Common Shares (excluding those directors and officers who will hold less than 1% of the voting rights).

Name and Municipality of Residence of Securityholder	Designation of Class	After Giving Effect to the Proposed Transaction	
		No. of Common Shares to be held in escrow ⁽¹⁾	Percentage of Class (undiluted) ⁽²⁾
Brian Main <i>Spokane, WA</i>	Common	12,675,825	16.7
Michael Caridi <i>Greenwich, CT</i>	Common	11,074,270	14.6

Notes:

(1) Includes Common Shares held by holding companies. In addition, options to purchase 1,000,000 Common Shares held by each of Brian Main and Michael Caridi will be subject to escrow.

The Resulting Issuer is expected to be an “emerging issuer” for the purposes of 46-201 and accordingly, a principal’s escrowed securities in an emerging issuer will be released as follows:

1. On the date the issuer’s securities are listed on a Canadian exchange (the listing date) - 1/10 of the escrow securities;
2. 6 months after the listing date 1/6 of the remaining escrow securities;
3. 12 months after the listing date 1/5 of the remaining escrow securities;
4. 18 months after the listing date 1/4 of the remaining escrow securities;
5. 24 months after the listing date 1/3 of the remaining escrow securities;
6. 30 months after the listing date 1/2 of the remaining escrow securities; and
7. 36 months after the listing date the remaining escrow securities.

12. PRINCIPAL SHAREHOLDERS

As of the date hereof, to the knowledge of the directors and senior officers of Courtland, no person beneficially owns, directly or indirectly, or exercises control or direction over, directly or indirectly, voting securities carrying ten (10%) percent or more of the voting rights attached to any class of voting securities of Courtland.

To the knowledge of the directors and officers of each of Courtland and TOK, no Persons will beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Resulting Issuer after the Closing of the Proposed Transaction, except as follows:

<u>Name and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number of Resulting Issuer Shares upon completion of the Proposed Transaction</u>	<u>% of Resulting Issuer Shares</u>
Brian Main <i>Spokane, WA</i>	Registered and Beneficial	12,675,825 ⁽¹⁾	16.7% ⁽²⁾
Michael Caridi <i>Greenwich, CT</i>	Registered and Beneficial	11,074,270 ⁽¹⁾	14.6% ⁽²⁾

Notes:

- (1) These Resulting Issuer Shares will be subject to escrow pursuant to National Instrument 46-201. See “*Escrowed Securities*”, above.
- (2) On a fully diluted basis, after giving effect to Resulting Issuer Shares reserved for issuance upon the exercise of Resulting Issuer Options and Resulting Issuer Warrants, Brian Main will hold 12,675,825 Resulting Issuer Shares and 1,000,000 Options representing 16.7% of the issued and outstanding Resulting Issuer Shares, and Michael Caridi will hold 11,074,270 Resulting Issuer Shares and 1,000,000 Options representing 14.6% of the issued and outstanding Resulting Issuer Shares.

13. DIRECTORS AND OFFICERS

The following are summaries of the proposed directors and principal management of the Resulting Issuer, including their respective proposed positions with the Resulting Issuer and relevant work and educational background. None of these parties have entered into employment or consulting agreements, or non-competition or non-disclosure agreements with Courtland or TOK at this time, although such agreements will be entered into with the Resulting Issuer in connection with the closing of the Proposed Transaction.

Name, Municipality of Residence, Occupation and Security Holdings

The individuals disclosed in the table below, as applicable, were elected as directors of Courtland at the meeting of Courtland Shareholders. Upon Closing, the additional appointments will be made with respect to the officers of the Resulting Issuer.

The following table lists the name, municipality of residence, office, principal occupation and the shareholdings of each director and proposed officer of the Resulting Issuer on Closing.

Name and Municipality of Residence	Current and/or Proposed Office	Principal Occupation During the Past Five Years⁽¹⁾	Resulting Issuer Shares owned, beneficially held or controlled assuming completion of the Proposed Transaction⁽¹⁾
Brian Main <i>Spokane, WA</i>	President of TOK and a Director of Resulting Issuer	Chairman, CEO and a director of TOK since 2015; prior thereto involved in residential and commercial real estate development since 1991.	12,675,825
Michael Caridi ⁽²⁾ <i>Greenwich, CT</i>	Chairman, CEO and a Director of Resulting Issuer	President and a director of TOK; Managing Director of Bedford Capital Partners, a company providing business development services since 2013 and Chairman of MAJIC Development Group LLC, a developer of commercial real estate projects since 2001.	11,074,270
Marco Guidi <i>Toronto, Ontario</i>	Chief Financial Officer of Resulting Issuer	CFO of TOK since April 2017; CFO of Tanzanian Royalty Exploration Corporation, Kapuskasing Gold Corp. (mining companies).	189,200
Rick Grass ⁽²⁾ <i>Airdrie, AB</i>	Director of Resulting Issuer	Chief Executive Officer and Chief Financial Officer of Courtland Capital Inc. since February 25, 2011. President and Chief Executive Officer of SounDivide Inc, a private Canadian company specializing in architectural acoustics.	1,483 (72,916 pre-Consolidation)
Scott Reeves <i>Calgary, AB</i>	Secretary and Director of Resulting Issuer	Partner (lawyer) TingleMerrett LLP	Nil
Genarro (Rino) Adamo ⁽²⁾ <i>Toronto, ON</i>	Director of Resulting Issuer	Chief Operations Officer and Chief Environmental Officer of Sustainable Growth Strategic Capital Corp., a prospective licensed producer of cannabis, since February 2018, prior thereto President and CEO of Optimum Environmental Corp., a construction and demolition debris recovery company, since 2003.	Nil

Notes:

- (1) Securities anticipated to be beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Closing Date, is based upon information furnished to Courtland and TOK by the above individuals.
- (2) Member of the Audit Committee.

Assuming completion of the Proposed Transaction, all directors and proposed officers of the Resulting Issuer will hold an aggregate of 23,940,778 Resulting Issuer Shares representing approximately 31.6% of the issued and outstanding Resulting Issuer Shares on an undiluted basis.

The term of office of the directors expires annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Resulting Issuer's executive officers expires at the discretion of the Resulting Issuer's directors. Two of the directors of the Resulting Issuer will not be independent of the Resulting Issuer within the meaning of NI 58-101. The remaining three proposed directors of the Resulting Issuer are considered to be independent within the meaning of NI 58-101.

Board Committees

Courtland currently has an audit committee. A brief description of the audit committee for the Resulting Issuer is set out below.

Audit Committee

Courtland is required to have an audit committee under the BCBCA and pursuant to the provisions of National Instrument 52-110-*Audit Committees* ("**NI 52-110**"). Pursuant to NI 52-110, Courtland is required to have a written charter which sets out the duties and responsibilities of its audit committee.

Audit Committee Charter

Courtland's Audit Committee Charter is attached hereto as Schedule "B" to the Information Circular of Courtland prepared in connection with the meeting of the Courtland shareholders held May 2, 2018, a copy of which has been filed on SEDAR at www.sedar.com.

Composition of the Audit Committee

The Audit Committee will be comprised of the following members following completion of the Proposed Transaction:

Name of Director	Independent	Financially Literate
Michael Caridi	No	Yes
Genarro (Rino) Adamo	Yes	Yes
Richard Grass	Yes	Yes

The Board believes the composition of the Audit Committee reflects a high level of financial literacy and expertise. The Board has determined that each member of the Audit Committee is "financially literate" within the meaning of applicable Canadian securities laws based on each member's education and experience. As at the date hereof, two existing members are considered "independent" for the purposes of NI 52-110.

Relevant Education and Experience

Mr. Caridi is currently Managing Director of Bedford Capital Partners since 2013, a firm specializing in business development & consulting in various industries. He is also chairman of MAJIC Development Group LLC since 2001, and has been involved in several significant construction projects, many of which were for Fortune 500 clients and retailers. The scope of his experience and involvement includes; dealings in over 200 million dollars in real estate projects; demilitarization and scrapping of the ex-USS Bennington aircraft carrier; roles in the development of diabetic, Alzheimer's, and regenerative skin companies; and an Educational reward app called Kudzoo. Mr. Caridi is a Knight of Malta, an Honorary Mayor of Harlem, and a Member of the NYC Police Honor Legion.

Mr. Adamo is an experienced executive with a history of working in the renewable energy and environmental industries. Since February 2018, he has been Chief Operations Officer and Chief Environmental Officer for Sustainable Growth Strategic Capital Corp., a private company that has applied to be a Canadian ACMPR Licensed Producer to produce and distribute cannabis for medical purposes. He started his career as a financial systems analyst at Waste Management Canada, moving into more senior positions until 2003 when he became President and CEO of Optimum Environment Corp., the largest recovery processor for construction and demolition debris in the Greater Toronto Area, a position he held up to joining Sustainable Growth Strategic Capital Corp. in February 2018. Mr. Adamo obtained a Bachelor's Degree in Accounting and Business Management from Ryerson University.

Mr. Grass received his Bachelor of Arts in Economics from Carleton University in 1978 and has held an Insurance Certificate granted by the Insurance Institute of Southern Alberta. Mr. Grass has served as a director of Courtland since July 6, 2009 and was the interim President and interim Chief Financial Officer from November

20, 2010 to February 25, 2011 and the Chief Executive Officer and Chief Financial Officer from February 25, 2011 to the present. Mr. Grass has been President and CEO of SounDivide Inc., a privately owned Canadian corporation that has been the manufacturer's representation of Quiet Rock products in western Canada since January 15, 2007. Mr. Grass had been a Sales Manager with Western Polymers from September 2004 until 2012. Mr. Grass is also the President of Telejust Ltd. since June 1991. Mr. Grass has served as a Director of Bowmore Explorations Ltd (previously Peterborough Capital Corp.), a publicly traded company on the TSX Venture Exchange from May 2000 to December 2010. Mr. Grass was the CEO and CFO and a Director of Revelations Ventures Inc. from October 2006 to March 2010, a company that was previously publicly traded company on the TSX Venture Exchange. Mr. Grass has also served as a Director and Chief Executive Officer with Canada Brokerlink Inc., a Toronto Stock Exchange listed company, from May 1991 until March 2000, and as a Director of Madison Companies Ltd., a Canadian venture company, from August 1999 until October 2000.

Audit Committee Oversight

At no time since the commencement of Courtland's most recently completed financial year, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of Courtland's most recently completed financial year has Courtland relied on the exemption in section 2.4 of NI 52-110 (*De Minimis* Non-Audit Services), or an exemption from NI 52-110, in whole or in part, granted by the securities regulatory authority under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "Duties and Responsibilities" of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to Courtland and the fees for those services.

External Auditor Service Fees (By Category)

The aggregate fees billed by Courtland's external auditors in each of the last two financial years for audit and non-audit related services are as follows:

Financial Year⁽¹⁾	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2017	17,850	Nil	nil	nil
2016	18,375	Nil	nil	nil
2015	\$24,500	Nil	nil	nil

Notes:

(1) For the years ended March 31.

Exemption

As a venture issuer within the meaning of NI 52-110, Courtland is relying upon the exemption provided by section 6.1 of NI 52-110, which exempts venture issuers from the requirements of Part 3, *Composition of the Audit Committee* and Part 5, *Reporting Obligations* of NI 52-110.

Following the completion of the Proposed Transaction, the board of directors of the Resulting Issuer intend to establish such committees of the board as it determines to be appropriate in addition to the Audit Committee. The members of the compensation committee will be determined after completion of the Proposed Transaction.

Cease Trade Orders or Bankruptcies

As of the date of this Listing Statement, no proposed nominee for election as a director of Courtland or any proposed director, officer, insider or promoter of the Resulting Issuer or a shareholder holding a sufficient number of securities of Resulting Issuer to affect materially the control of the Resulting Issuer is, or within 10 years before the date of this Information Circular has been, a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

Other than as disclosed below, as of the date of this Listing Statement, no director, officer, insider or promoter of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Mr. Grass was the President and Mr. Grass was a director of Courtland, when, on August 4, 2011, and August 9, 2011, respectively, due to the failure of Courtland to file its annual audited financial statements and management discussion and analysis for the 15 month period ended March 31, 2011, each of the Alberta Securities Commission and the British Columbia Securities Commission issued a cease trade order (the “**CTOs**”) ordering the cessation of trading in the securities of Courtland. Following the filing of the outstanding financial statements and management discussion and analysis, on June 28, 2013, the CTOs were revoked. A copy of the CTOs will be provided upon request. Mr. Grass was a director of Peterborough Capital Corp. (“**Peterborough**”) which, on May 9, 2005, and May 19, 2006, the ASC and BCSC issued management cease trade orders (“**MCTOs**”) ordering the cessation of trading in the securities of Peterborough by certain of its insiders, including Mr. Grass. The MCTOs was issued for failure to file its annual audited financial statements for the years ended December 31, 2004, and December 31, 2005, respectively. The MCTOs, lapsed or were revoked subsequent to the filing of the annual audited financial statements of Peterborough.

Mr. Reeves was a director and Corporate Secretary of Guardian Exploration Inc. (“**Guardian**”) which, on May 1, 2008, the ASC issued a management cease trade order (“**MCTO**”) ordering the cessation of trading in the securities of Guardian by certain of its insiders, including Mr. Reeves. The MCTO was issued for failure to file its annual audited financial statements for the year ended December 31, 2007. On June 6, 2008, the ASC, pursuant to the filing of the annual audited financial statements of Guardian, revoked the MCTO.

On April 29, 2016, Edge Resources Inc., (“**Edge**”), of which Mr. Reeves was a director and corporate secretary,

received an order of the Court of Queen's Bench of Saskatchewan appointing Grant Thornton as receiver over TOK's Saskatchewan-based assets and, on September 2, 2016, received an order of the Court of Queen's Bench of Alberta appointing Grant Thornton as receiver over TOK's Alberta-based assets. The receiver was discharged on the Alberta-based assets on December 19, 2016 and on the Saskatchewan-based assets on February 1, 2017. On August 5, 2016 Edge received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a Receiver had been appointed for Edge on April 29, 2016, the officers and directors of Edge were no longer in control of the assets or undertaking of Edge, being replaced by Grant Thornton (the Receiver). This made it impossible, following such date, for the directors of Edge to affect the continuance of Edge's public filings. A copy of the order may be provided by request.

Mr. Reeves was a director and Corporate Secretary of Quattro Exploration and Production Ltd. ("**Quattro**") when, on May 3, 2016, due to the failure of Quattro to file its annual audited financial statements and management discussion and analysis for the year ended December 31, 2015, the Alberta Securities Commission issued a management cease trade order (the "**Quattro MCTO**") ordering the cessation of trading in the securities of Quattro by its senior management and directors, including Mr. Reeves. On June 15, 2016, the ASC, pursuant to the filing of the outstanding annual audited financial statements and management discussion and analysis of Quattro, revoked the Quattro MCTO. On September 8, 2016, Quattro received an order from the Court of Queen's Bench of Alberta granting creditor protection pursuant to the Companies' Creditors Arrangement Act (Alberta). The order was extended by the court until November 30, 2016 on October 7, 2016. On February 2, 2017, Quattro received an order of the Court of Queen's Bench of Alberta appointing Hardy & Kelly Inc. as receiver over TOK's assets. On May 8, 2017, Quattro received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a Receiver had been appointed for Quattro on February 2, 2017, the officers and directors of Quattro were no longer in control of the assets or undertaking of Quattro, being replaced by Hardy & Kelly Inc. (the Receiver). This made it impossible, following such date, for the directors of Quattro to affect the continuance of Quattro's public filings. A copy of the order may be provided by request.

Personal Bankruptcies

Except as set out herein, as of the date of this Listing Statement, no nominee for election as a director of Courtland or any proposed director, officer, insider or promoter of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within the 10 years before the date of this Information Circular, has been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets. Brian Main filed for personal bankruptcy in the United States Bankruptcy Court, Eastern Washington District following a serious car accident and was discharged pursuant to the laws of the State of Washington on April 10, 2002.

Conflicts of Interest

There are potential conflicts of interest to which some of the directors, proposed directors, officers and insiders and the promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors, proposed directors, officers and insiders and the promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the Resulting Issuer. Accordingly, situations may arise where some of the directors, officers and insiders and the promoter will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies as provided under the CBCA.

Proposed Management of the Resulting Issuer

Each of Messrs. Kristian Norman and Gene Maher resigned as a director of Courtland at the meeting of Courtland shareholders on May 2, 2018. Messrs. Rick Grass, Brian Main, Michael Caridi, Genarro (Rino) Adamo and Scott Reeves, were each be appointed as a director of Courtland at the meeting of Courtland shareholders. It is anticipated that upon closing of the Proposed Transaction, Rick Grass will resign as President and Chief Executive Officer, however he will remain as a director. Mr. Caridi will replace Rick Grass as Chief Executive Officer and be appointed Chairman. Mr. Brian Main will be President of TOK, the main subsidiary of the Resulting Issuer and Mr. Marco Guidi will be appointed as Chief Financial Officer of the Resulting Issuer. Scott Reeves will remain as

Secretary of the Resulting Issuer.

A brief description of the biographies for all of the proposed officers and directors of the Resulting Issuer are set out below.

Brian Main – President of TOK and a Director (52)

Mr. Main is a co-founder and the current Chairman, CEO and a director of TOK since 2015 and is the proposed President of TOK as the main subsidiary and a director of the Resulting Issuer. Brian Main started his career in the U.S. Marine Corps in a security role guarding classified material and was awarded an ETNAC-5 security clearance. In 1991 he was a platoon commander for RTB-1, a special strike unit in Desert Storm. Brian has negotiated with many foreign government officials and investment groups inside and outside the U.S. and has coordinated many different business opportunities in the real estate, entertainment and business development sectors. Since 2011 Brian has worked with investment groups, lobbyist, and securities attorneys in the medical marijuana and industrial hemp industry. Mr. Main studied microbiological genetic technologies while at Eastern Washington University. Mr. Main is an employee of TOK and will devote substantially all of his time to the Resulting Issuer.

Michael Caridi – Chairman, CEO and a Director (54)

Mr. Caridi is a co-founder and currently Chairman and a director of TOK since 2015 and is the proposed Chairman, CEO and a director of the Resulting Issuer. He is currently Managing Director of Bedford Capital Partners since 2013, a firm specializing in business development & consulting in various industries. He is also chairman of MAJIC Development Group LLC since 2001, and has been involved in several significant construction projects, many of which were for Fortune 500 clients and retailers. The scope of his experience and involvement includes; dealings in over 200 million dollars in real estate projects; demilitarization and scrapping of the ex-USS Bennington aircraft carrier; roles in the development of diabetic, Alzheimer's, and regenerative skin companies; and an Educational reward app called Kudzoo. Mr. Caridi is a Knight of Malta, an Honorary Mayor of Harlem, and a Member of the NYC Police Honor Legion. Mr. Caridi is an employee of TOK and will devote approximately 75% of his time to the Resulting Issuer.

Marco Guidi – Chief Financial Officer (34)

Mr. Guidi has been interim Chief Financial Officer of TOK since April 2017 and is the proposed Chief Financial Officer of the Resulting Issuer. Mr. Guidi is a Chartered Accountant (CPA - CA). He has worked with publicly listed junior mining companies, technology companies, and privately-owned and entrepreneurial companies. In 2010, Mr. Guidi transitioned out of public accounting and is currently serving as Chief Financial Officer, Controller and Accountant for several public companies. Mr. Guidi has Bachelor degree (Honours) in Business Administration from Wilfrid Laurier University. Mr. Guidi is a consulting CFO and will devote approximately 25% of his time to the Resulting Issuer.

Scott Reeves, Director and Secretary (48)

Mr. Reeves is currently a proposed director and secretary for the Resulting Issuer. Mr. Reeves is a partner with TingleMerrett LLP, a Calgary-based law firm with a focus on securities, corporate finance and commercial transactions for emerging and growth companies, joint ventures and partnerships. He has advised numerous private and public corporations (including registered dealers) in a wide range of business matters including access to capital markets, corporate governance and operational issues both nationally and internationally. Scott Reeves will devote approximately 5% of his time to the Resulting Issuer, or a greater portion as the position demands.

Rick Grass, Director (62)

Mr. Grass has been a director of Courtland since July 6, 2009, and is a proposed director of the Resulting Issuer. Mr. Grass has over 28 years of business experience in a number of industries. Mr. Grass was the interim President and interim Chief Financial Officer from November 20, 2010 to February 25, 2011 and the Chief Executive Officer and Chief Financial Officer from February 25, 2011 to the present. Mr. Grass has been President and CEO of SounDivide Inc., a privately owned Canadian corporation that has been the manufacturer's representation of Quiet

Rock products in western Canada since January 15, 2007. Mr. Grass had been a Sales Manager with Western Polymers from September 2004 until 2012. Mr. Grass is also the President of Telejust Ltd. since June 1991. Mr. Grass has served as a Director of Bowmore Explorations Ltd (previously Peterborough Capital Corp.), a publicly traded company on the TSX Venture Exchange from May 2000 to December 2010. Mr. Grass was the CEO and CFO and a Director of Revelations Ventures Inc. from October 2006 to March 2010, a company that was previously publicly traded company on the TSX Venture Exchange. Mr. Grass has also served as a Director and Chief Executive Officer with Canada Brokerlink Inc., a Toronto Stock Exchange listed company, from May 1991 until March 2000, and as a Director of Madison Companies Ltd., a Canadian venture company, from August 1999 until October 2000. He graduated in 1978 with a Bachelor of Arts in Economics from Carleton University. Mr. Grass will devote approximately 5% of his time to the Resulting Issuer, or a greater portion as the position demands.

Reno Adamo, Director (53)

Mr. Adamo is a proposed director of the Resulting Issuer. Mr. Adamo is an experienced executive with a history of working in the renewable energy and environmental industries. Since February 2018, he has been Chief Operations Officer and Chief Environmental Officer for Sustainable Growth Strategic Capital Corp., a private company that has applied to be a Canadian ACMPR Licensed Producer to produce and distribute cannabis for medical purposes. He started his career as a financial systems analyst at Waste Management Canada, moving into more senior positions until 2003 when he became President and CEO of Optimum Environment Corp., the largest recovery processor for construction and demolition debris in the Greater Toronto Area, a position he held until February 2018. Mr. Adamo obtained a Bachelor's Degree in Accounting and Business Management from Ryerson University. Mr. Adamo will devote approximately 5% of his time to the Resulting Issuer, or a greater portion as the position demands.

None of the executive officers have entered into a non-competition or non-disclosure agreement with Courtland or TOK.

14. CAPITALIZATION

To the best knowledge of Courtland, the following table sets out the number of the Common Shares available in Courtland's Public Float and Freely-Tradeable Float on a diluted and non-diluted basis, as of the date hereof, pursuant to the size of the shareholder's holding:

Issued Capital

To the best knowledge of Courtland, the following table sets out the number of the Common Shares available in Courtland's Public Float and Freely-Tradeable Float on a diluted and non-diluted basis, assuming completion of the Proposed Transaction:

	<u>Number of Common Shares (non-diluted)</u>	<u>Number of Common Shares (fully diluted)</u>	<u>% of Shares (non-diluted)</u>	<u>% of Shares (fully diluted)</u>
<u>Public Float</u>				
Total Outstanding after giving effect to the Proposed Transaction(A) ⁽¹⁾	75,742,118	82,042,118	92	100
Held by Related Persons or employees of the Issuer or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B) ⁽²⁾	24,090,655	26,690,655	32	33
Total Public Float [(A)-(B)]	51,651,463	55,351,463	68	67
<u>Freely Tradeable Float</u>				
Number of outstanding common shares subject to	26,652,837	28,652,837	35	35

resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders⁽²⁾

Total Tradeable Float **48,089,281** 53,389,281 63 65

Notes:

- (1) This total includes two holders with more than 5% of the voting rights of the Resulting Issuer. Mr. Main will hold 12,675,825 Resulting Issuer Shares. Mr. Caridi will hold 11,074,270 Resulting Issuer Shares. See “*Principal Shareholders*.”
- (2) This total includes the Resulting Issuer Shares held by Mr. Main and Mr. Caridi that are subject to escrow and 2,712,059 Resulting Issuer Shares issuable as a finder’s fee that will be subject to a 4 month hold period. See “*Escrowed Securities*” and “*Courtland Significant Acquisitions or Dispositions – Conditions to the Proposed Transaction*.”

Public Securityholders (Registered and Beneficial)

To the best knowledge of Courtland, the following tables set out the breakdown of the registered shareholders of Courtland and beneficial holders holding securities in their own name as non-objecting beneficial holders. The tables have been prepared after giving effect to the Proposed Transaction. For the purposes of this table, registered holders are persons other than persons enumerated in section (B) of the Issued Capital table above:

Public Securityholders (Registered)⁽¹⁾

Size of Holding	Number of Holders	Total Number of Common Shares
100 - 499 Common Shares	3	41,875
500 - 999 Common Shares	13	389,443
1,000 - 1,999 Common Shares ⁽²⁾	55	2,377,633
2000 or more Common Shares ⁽³⁾	125	46,363,797
Total	196	

Note:

- (1) The range of the number of share held by the shareholders for Courtland was taken as of March 9, 2018, as reported by Computershare Trust Company of Canada, after giving effect to the Consolidation (49.16 to 1).
- (2) Includes position held in CDS. Inc. There are a total of 66 Courtland shareholders with 500 or more shares.
- (3) There are approximately 110 registered holders of TOK, not including management and employees of TOK and an additional 15 shareholders of Courtland who will receive 3,600,000 common shares upon conversion of Courtland Debentures.

Public Securityholders (Beneficial)⁽¹⁾

Size of Holding	Number of Holders	Total Number of Common Shares
100 - 499 Common Shares	296	48,840
500 - 999 Common Shares	35	23,688
1,000 - 1,999 Common Shares ⁽²⁾	37	42,612
2,000 - 2,999 Common Shares	30	64,986
3,000 - 3,999 Common Shares	4	13,405
4,000 - 4,999 Common Shares	2	8,543
5,000 or more Common Shares	7	224,340

Total **411** **426,414**

Note:

(1) The numbers of shareholders for Courtland was taken from a NOBO list after giving effect to the Consolidation (49.16 to 1).

Non-Public Security holders (Registered)

To the best knowledge of Courtland, the following table sets out the number of holders and securities of non-public security holders of Courtland as of the date hereof, pursuant to the size of the shareholders holding. For the purposes of this table, non-public security holders are persons enumerated in section (B) of the Issued Capital table:

Size of Holding	Number of Holders	Total Number of Common Shares
1 - 99 Common Shares	0	0
100 - 499 Common Shares	0	0
500 - 999 Common Shares	0	0
1,000 – 1,999 Common Shares	0	0
2,000 - 2,999 Common Shares	0	0
3,000 - 3,999 Common Shares	0	0
4,000 - 4,999 Common Shares	0	0
5,000 or more Common Shares	6	24,090,655 ⁽¹⁾

Note:

(1) This total includes two holders with more than 5% of the voting rights of the Resulting Issuer. Mr. Main will hold 12,675,825 Resulting Issuer Shares. Mr. Caridi will hold 11,074,270 Resulting Issuer Shares. See “*Principal Shareholders*.”

Convertible and Exchangeable Securities

The following table provides details of all securities convertible or exchangeable into common shares of the Resulting Issuer: See also “*Description of Securities*” above.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
<i>Stock Options</i> – Upon closing of the Proposed Transaction there will be stock options issued to directors and officers at a price of \$0.70 per share for a period of 5 years. See “ <i>Options to Purchase Securities</i> ”.	4,500,000	4,500,000
Warrants - The Warrants will be issued upon conversion of the Courtland Debentures. Each whole Warrant entitles the holder to acquire one Resulting Issuer Share at price of \$0.15 per share for a period of 24 months from the date of issuance.	1,800,000	1,800,000
Resulting Issuer Shares that may be issued pursuant to price protection provisions in the Macedonia Agreement. See “ <i>General Development of the Business – TOK Recent Developments</i> ”.	Unknown	Unknown

15. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

General

The following Compensation Discussion and Analysis covers the year ending March 31, 2017 and should be read in conjunction with the Management Discussion and Analysis, the consolidated financial statements and accompanying notes for the year ended March 31, 2017.

During the year ended March 31, 2017, Courtland did not have a compensation committee. The board of directors (the “**Board**”) is responsible for the oversight and implementation of director and executive compensation. Courtland does not currently have active operations and is seeking a transaction to acquire assets or businesses to become operational, consequently Courtland does not have a formal executive compensation program and relied on Board discussion to determine executive compensation. Courtland currently pays a monthly stipend to a company controlled by the sole officer of Courtland. The stipend is compensation for his services as CEO and CFO as well as compensation for providing the office facilities used by Courtland.

The following Compensation Discussion and Analysis should be considered to be forward looking as Courtland does not currently have operations nor officers and employees required to run an operational business. The discussion reflects the Board’s plan and intention once it has acquired an operating business.

In determining compensation, the Board strives to be competitive in order to attract, retain and motivate executive officers, provide incentives for executive officers and key employees to work toward achieving corporate goals as well as to ensure that the interests of Courtland’s shareholders and management are aligned to improve corporate performance and enhance long-term shareholder value. The Board does not currently have a compensation committee.

The Board does not set specific performance objectives in assessing the performance of its executive officers; rather the Board uses its experience and judgment in determining an overall compensation package for the executive officers.

Compensation Plan and Policies

The two components of executive compensation are base compensation and stock option grants. Management makes recommendations to the Board regarding base compensation and stock option grants. The Board reviews, analyzes and discusses management’s compensation recommendations and makes a final determination as to executive compensation.

Base compensation for the senior executive officers of Courtland is set annually based on job responsibilities, contribution, experience, proven or expected performance and market conditions. Courtland has no salaried employees or officers. As described above Courtland pays a monthly stipend to Courtland’s sole officer.

Courtland grants options under its Stock Option Plan to provide a long-term component to compensation to certain executive officers, directors and employees. Courtland has not granted stock options since 2009. The Board believes that the grant of stock options assists in aligning the interests of management with those of shareholders by promoting an ownership perspective among executives. It also encourages the retention of key executives and provides an incentive to enhance shareholder value by furthering Courtland’s stated corporate goals.

Statement of Executive Compensation

For purposes of the Statement of Executive Compensation, a “Named Executive Officer” (“**NEO**”) of Courtland means any individual who, at any time during the fiscal year, was:

- a) Courtland’s chief executive officer (“**CEO**”);

- b) Courtland’s chief financial officer (“**CFO**”);
- c) Each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO or CFO, at the end of the most recently completed financial year, whose total compensation was, individually, more than \$150,000; and
- d) Each individual who would be an NEO under paragraph c) but for the fact that the individual was neither an executive officer of Courtland, nor acting in a similar capacity, at the end of that financial year.

During the last completed fiscal year of Courtland, the NEOs of Courtland were as follows: 1) Richard Grass (CEO and CFO).

Summary Compensation Table

The following table details the compensation paid or accrued for services rendered to Courtland in all capacities during the most recently completed fiscal year ended March 31, 2017 of Courtland to its NEOs:

Name and principal position	Year Ended March 31	Salary (\$)	Share-based awards (\$) ⁽²⁾	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Richard Grass ⁽¹⁾ CEO, CFO and Director	2017	44,190	nil	nil	nil	nil	nil	nil	44,190
	2016	60,000	nil	nil	nil	nil	nil	nil	60,000
	2015	52,692	nil	nil	nil	nil	nil	nil	52,692

Notes:

- (1) Mr. Grass receives compensation through a company he controls, Telejust Ltd., pursuant to a Management Services Agreement dated March 1, 2011. He is also reimbursed for approved expenses.
- (2) Share-Based Award means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock. Courtland has had no Share-Based Awards.
- (3) Option-Based Award means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The amounts hereunder would be calculated using the Black-Scholes-Merton model. This method is consistent with the methodology used by Courtland in calculating stock option compensation in its audited financial statements. Courtland has had no Option-Based compensation.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

There is no information to disclose regarding options that have expired under the Stock Option Plan held by the NEOs as of March 31, 2017.

In connection with the application to list the Resulting Issuer Shares on the CSE, Courtland adopted a new form of Stock Option Plan (the “**Plan**”), which was adopted and approved by Courtland Shareholders at a meeting held May 2, 2018. See item 9 “*Options to Purchase Securities*”.

Incentive plan awards – value vested or earned during the year

There were no vested or earned option-based awards, share-based awards, and non-equity incentive plans compensation paid to NEOs during the most recently completed financial year ended March 31, 2017.

Pension Plan Benefits

No pension plan or retirement benefit plans have been instituted by Courtland and none are proposed at this time.

Termination and Change of Control Benefits

There were no terminations or change of control benefits paid by Courtland to any NEOs or former NEOs during the fiscal year ended March 31, 2017.

Director Compensation

The following table details the value of all compensation paid to the directors (as directors) during the fiscal year ended March 31, 2017.

Name	Fees earned (\$)	Share-based awards ⁽²⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
Gene Maher	nil	Nil	nil	nil	nil	nil	nil
Kristian Norman	nil	Nil	nil	nil	nil	nil	nil
Rick Grass ⁽¹⁾	nil	Nil	nil	nil	nil	nil	nil

Notes:

- (1) Mr. Grass received compensation as an NEO. Please refer to the Summary Compensation Table above for details.
(2) Courtland had no share or option based awards in the fiscal year ended March 31, 2017.

No Director of Courtland who is not a NEO has received, during the most recently completed financial year, compensation pursuant to any standard arrangement for the compensation of Directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments; or any other arrangement excepting the grant of stock options.

Outstanding share-based awards and option-based awards

There were no options outstanding under the Stock Option Plan as of March 31, 2017.

Management Contracts

Management functions of Courtland are substantially performed by directors and senior officers of Courtland and not, to any substantial degree, by any other person with whom Courtland has contracted. Courtland entered into a Management Services Agreement dated March 1, 2011 with Telejust Ltd., a company controlled by Richard Grass, an officer and director of Courtland. Under this agreement Mr. Grass, through Telejust Ltd., provides management and administrative services to Courtland for a monthly fee of \$5,000 plus expenses. Employment contracts for key management personnel do not contain change of control provisions or other provisions that would be triggered by the Proposed Transaction.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Upon completion of the Proposed Transaction, none of the directors or officers of the Resulting Issuer, nor any of their associates, will be indebted to the Resulting Issuer, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer.

17. RISK FACTORS

Ownership of Courtland Common Shares is subject to certain risks. Upon completion of the Proposed Transaction, the current business of TOK will become the business of the Resulting Issuer. Shareholders should consider the risks set forth below and those described elsewhere in this Listing Statement, which are in addition to the usual risks associated with an investment in a business at a relatively early stage of development. The directors of Courtland

and TOK consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of Courtland or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with Courtland or the Resulting Issuer's business, actually occur, Courtland or the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Courtland or the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

References below to "TOK" shall, as the context permits or requires, be read to include the Resulting Issuer upon Closing.

Limited operating history

TOK is subject to many risks common to early stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of substantial revenues. There is no assurance that TOK will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its relatively early stage of operations. TOK has no history of earnings. Because TOK has a relatively limited operating history in emerging area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

Historically TOK has financed its operations through equity and convertible debt financing. While TOK has begun to generate revenues, these revenues are not currently sufficient to support TOK's existing operation or expansion. There is no assurance TOK will be able to maintain the current level of revenue or access further equity. Due to the fact TOK operates a cannabis-related business certain financing options such as bank financing are not currently available to TOK. If TOK is unable to sustain or grow its revenue and not be able to attract further equity financing, TOK would suffer significant financial damage.

TOK's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Reliance on securing agreements with Licensed Suppliers

TOK currently relies on third parties for its supply of CBD in the targeted jurisdictions that have been able to obtain a license to grow industrial hemp from the appropriate regulatory authorities. Failure of a licensed supplier to comply with the requirements of their license or any failure to maintain their license would have a material adverse impact on the supply of materials and therefore the business, financial condition and operating results of TOK.

Additional financing

The Resulting Issuer will need to raise significant additional funds in order to support its growth, develop new products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. It will require additional financing in order to meet its plans for expansion. The Resulting Issuer cannot be sure that this additional financing will be available on acceptable terms, or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of

its existing shareholders.

Access to public and private capital and financing may be negatively impacted by many factors including global volatility and market turmoil generally. Such factors may impact the Resulting Issuer's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility and market turmoil persist, the Resulting Issuer's operations and financial condition could be adversely impacted.

Additionally, under U.S. federal law it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. As a result, the Resulting Issuer may have limited or no access to banking or other financial services in the United States. The inability or limitation in the Resulting Issuer's ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for the Resulting Issuer to operate and conduct its business as planned or to operate efficiently.

Changes in Laws, Regulations and Guidelines

The activities of TOK are subject to regulation by governmental authorities. Achievement of TOK's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TOK cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of TOK.

TOK's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. TOK cannot predict the nature of any future laws, regulations, interpretations, policies or applications, nor can it determine what effect additional governmental regulations or administrative interpretations or procedures, when and if promulgated, could have on TOK's operations.

Changes to such laws, regulations and guidelines due to matters beyond the control of TOK may cause adverse effects to TOK's operations.

Local, state, federal and international laws and regulations governing cannabis for medicinal and adult use purposes are broad in scope and are subject to evolving interpretations, which could require TOK to incur substantial costs associated with bringing TOK's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt TOK's operations and result in a material adverse effect on its financial performance. It is beyond TOK's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can TOK determine what effect such changes, when and if promulgated, could have on TOK's business.

U.S. Federal Laws

The business operations of TOK are dependent on state laws pertaining to the cannabis industry. Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the state level. Any number of factors could slow or halt progress in this area. Further, progress, while encouraging, is not assured. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of these factors could slow or halt legal manufacturer and sale of cannabis, which would negatively impact the business of TOK.

The concepts of "medical marijuana and "retail marijuana" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies cannabis as a Schedule I drug. Under U.S. federal law, a Schedule I drug or

substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve TOK of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against TOK.

Currently, thirty states and the District of Columbia allow its citizens to use medical marijuana. Additionally, eight states and the District of Columbia have legalized cannabis for adult use. The state laws are in conflict with the federal *Controlled Substances Act*, which makes cannabis use and possession illegal on a national level. The Obama administration previously effectively stated that it is not an efficient use of resources to direct law federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical marijuana. The Trump administration position is unknown. However, there is no guarantee that the Trump administration will not change current policy regarding the low-priority enforcement of federal laws. Additionally, any new administration that follows could change this policy and decide to enforce the federal laws strongly. Any such change in the federal government's enforcement of current federal laws could cause significant financial damage to us and its shareholders.

The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect TOK's operations. Local, state and federal medical marijuana laws and regulations are broad in scope and subject to changing interpretations. These changes may require TOK to incur substantial costs associated with legal and compliance fees and ultimately require TOK to alter its business plan. Furthermore, violations of these laws, or alleged violations, could disrupt the business of TOK and result in a material adverse effect on operations. In addition, TOK cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to the business of TOK.

Local regulation could change and negatively impact on TOK's operations.

Most US states that permit cannabis for adult use or medical use provide local municipalities with the authority to prevent the establishment of medical or adult use cannabis businesses in their jurisdictions. If local municipalities where TOK or its licensed suppliers have established facilities decide to prohibit cannabis businesses from operating, TOK or its licensed suppliers could be forced to relocate operations at great cost to TOK, and TOK or its licensed suppliers may have to cease operations in such state entirely if alternative facilities cannot be secured.

TOK is dependent on intellectual property, and failure to protect the rights to use that intellectual property could adversely TOK's future growth and success.

TOK's failure to protect its existing intellectual property rights may result in the loss of exclusivity or the right to use the brands and technologies to which TOK has acquired or internally developed. If TOK does not adequately ensure the freedom to use this intellectual property TOK may be subject to damages for infringement or misappropriation, and/or be enjoined from using such intellectual property. In addition, it may be difficult for TOK to enforce certain of its intellectual property rights against third parties who may have inappropriately acquired interests in TOK's intellectual property rights by filing unauthorized trademark applications in foreign countries to register TOK's marks because of their familiarity with our business in the United States. Any potential intellectual property litigation could result in significant expense to TOK, adversely affect the development of sales of the challenged product or intellectual property and divert the efforts of TOK's technical and management personnel, whether or not such litigation is resolved in the favor of TOK. In the event of an adverse outcome in any such litigation, TOK may, among other things, be required to: pay substantial damages; cease the development, manufacture, use, sale or importation of products that infringe upon other patented intellectual property; expend significant resources to develop or acquire non-infringing intellectual property; discontinue processes incorporating infringing technology; or obtain licenses to the infringing intellectual property.

Regulation that may hinder TOK's ability to establish and maintain bank accounts

The U.S. federal prohibitions on the sale of cannabis may result in licensed suppliers being restricted from accessing the U.S. banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. While TOK does not anticipate dealing with banking restrictions directly relating to its business, banking restrictions could nevertheless be imposed due to TOK's banking institutions not accepting payments

from licensed suppliers. Licensed suppliers at times do not have deposit services and are at risk that any bank accounts they have could be closed at any time. Such risks increase costs to TOK and licensed suppliers. Additionally, similar risks are associated with large amounts of cash at these businesses. These businesses require heavy security with respect to holding and transport of cash, whether or not they have bank accounts.

In the event that financial service providers do not accept accounts or transactions related to the cannabis industry, it is possible that licensed suppliers may seek alternative payment solutions, including but not limited to crypto currencies such as Bitcoin. There are risks inherent in crypto currencies, most notably its volatility and security issues. If the industry was to move towards alternative payment solutions and accept payments in crypto currency TOK would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. TOK's inability to manage such risks may adversely affect TOK's operations and financial performance.

Product liability, operational risk

As a manufacturer and distributor of products designed to be ingested by humans, the licensed suppliers and TOK face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis-infused products based on TOK's recipes and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of TOK's and the licensed supplier's products alone or in combination with other medications or substances could occur.

Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by TOK are recalled due to an alleged product defect or for any other reason, TOK could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. In addition, a product recall may require significant management attention and could harm the image of the brand and Company.

Uninsurable risks

The medical and retail cannabis business is subject to several risks that could result in damage to or destruction of properties or facilities or cause personal injury or death, environmental damage, delays in production and monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and TOK may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of TOK. TOK does not currently have any insurance policies covering its properties or the operation of its business and any liabilities that may arise as a result any of the above noted risks may cause a material adverse effect on the financial condition of TOK.

Reliance on management

The success of TOK is currently dependent on the performance of its senior management. The loss of the services of these persons would have a material adverse effect on TOK's business and prospects in the short term. There is no assurance TOK can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on TOK and its prospects.

Factors which may prevent realization of growth targets

TOK is currently in the development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to TOK and its licensed suppliers:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;

- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

Risks associated with increasing competition

The cannabis industry is highly competitive. TOK will compete with numerous other businesses in the medicinal and adult use industry, many of which possess greater financial and marketing resources and other resources than TOK. The cannabis business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labour, and governmental regulations. Any change in these factors could materially and adversely affect TOK's operations.

TOK expects to face additional competition from new entrants. If the number of legal users of cannabis in its target jurisdiction increases, the demand for products will increase and TOK expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products.

The products sold by TOK may become subject to regulation governing food and related products

Should the Federal government legalize cannabis for medical or adult use nation-wide, it is possible that the U.S. Food and Drug Administration ("**FDA**") would seek to regulate the products under the *Food, Drug and Cosmetics Act of 1938*. The FDA may issue rules and regulations including certified good manufacturing practices related to the growth, cultivation, harvesting and processing of medical cannabis and cannabis-infused products. Clinical trials may be needed to verify efficacy and safety of the medical cannabis. It is also possible that the FDA would require that facilities where medical cannabis is cultivated be registered with the applicable government agencies and comply with certain federal regulations. In the event, any of these regulations are imposed, TOK cannot foresee the impact on its operations and economics. If TOK or the licensed suppliers are unable to comply with the regulations and or registration as prescribed by the FDA or another federal agency, TOK or licensed suppliers may be unable to continue to operate in its current form or at all.

Environmental and employee health and safety regulations

TOK's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. TOK will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to TOK's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TOK.

Difficult to forecast

TOK must rely largely on its own market research and its interpretation of third party data to forecast sales of its CBD products as detailed forecasts are not generally obtainable from other sources at this relatively early stage of the cannabis industry in Canada, the U.S. and internationally. A failure in the demand for its products to materialize as a result of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of TOK.

Management of growth

TOK may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of TOK to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of TOK to deal with this growth may have a material adverse effect on TOK's business, financial condition, results of operations and prospects.

Dividends

TOK has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by TOK would be subject to tax and, potentially, withholdings.

Non-compliance with federal, provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect TOK's business.

The activities of TOK are subject to regulation by governmental authorities. Achievement of TOK's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TOK cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Business, results of operations and financial condition of TOK.

There is no certainty that the United States Food and Drug Administration ("**FDA**") will not enforce the use of hemp oil as a drug and prohibit use as a dietary ingredient. There is no certainty that hemp oil will be considered a grandfathered dietary ingredient under the Dietary Supplement Health and Education Act of 1994 ("**DSHEA**"), or would otherwise be permitted for use under the DSHEA. The FDA and other law enforcement agencies have recently taken steps to pursue companies that manufacture hemp-infused products that make health and medical claims about their products, and may take steps to pursue companies that manufacture cannabis products.

Scientific research related to the benefits of cannabis remains in early stages, is subject to a number of important assumptions and may prove to be inaccurate.

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids remains in the relatively early stages, however, clinical trials are being held at a steadily increasing pace and certain applications have even been approved for use in children. Any statements concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, any statements made herein are subject to the experimental parameters, qualifications, assumptions and limitations in the studies that have been completed.

Although TOK believes that the articles and reports, and details of research studies and clinical trials that are publicly available reasonably support its beliefs regarding the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding and perceptions relating to cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this prospectus or reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could materially impact TOK.

Negative publicity or consumer perception may affect the success of our business.

The success of the cannabis industry may be significantly influenced by the public's perception of cannabis. Both the medical and recreational use of cannabis are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to cannabis will be favourable. The

cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical and recreational cannabis is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion (whether or not accurate or with merit) relating to the consumption of cannabis, whether in Canada, the United States or elsewhere, may have a material adverse effect on our operational results, consumer base and financial results. Among other things, such a shift in public opinion could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which TOK could identify potential acquisition opportunities.

Certain events or developments in the cannabis industry more generally may impact TOK's reputation.

Damage to TOK's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Cannabis has often been associated with various other narcotics, violence and criminal activities, the risk of which is that our business might attract negative publicity. There is also risk that the action(s) of other participants, companies and service providers in the cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the reputation of TOK. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to TOK and its activities, whether true or not and the cannabis industry in general, whether true or not. TOK does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to TOK's overall ability to advance its business strategy and realize on its growth prospects, thereby having a material adverse impact on TOK.

Risks related to Resulting Issuer loss of foreign private issuer status in the United States

Upon completion of the Transaction the Resulting Issuer will be a "foreign private issuer" under United States securities laws. If the Resulting Issuer were to lose such status, it may have adverse consequences on the Resulting Issuer's ability to raise capital in private placements or Canadian prospectus offerings, and could potentially require the Resulting Issuer to become subject to the reporting requirements of the United States Securities and Exchange Commission, which would result in increased reporting requirements and increased audit, legal and administration costs. These increased costs may significantly affect the Resulting Issuer's results of operations and profitability.

There are U.S. tax risks

It is anticipated that Section 7874(b) of the U.S. Internal Revenue Code ("**Code**") will apply to treat the Resulting Issuer as a U.S. domestic corporation for U.S. federal income tax purposes. If, as anticipated, Section 7874(b) were to apply, the Resulting Issuer would be subject to U.S. federal income tax as a U.S. domestic corporation on its worldwide income and any dividends paid by the Resulting Issuer to Non-U.S. holders may be subject to U.S. federal income tax withholding at a 30% rate or such lower rate as provided in an applicable treaty.

Moreover, because the Resulting Issuer Shares will be treated as shares of a U.S. domestic corporation, the U.S. gift, estate and generation-skipping transfer tax rules generally apply to a "Non-U.S. Holder" of Company Shares.

The transactions contemplated herein may result in an "ownership change" of Company within the meaning of the United States federal income tax laws addressing net operating loss carry-forwards, alternative minimum tax credits and other similar tax attributes. If an ownership change occurs, there will be specific limitations on the ability to use net operating loss carry-forwards and other tax attributes from periods prior to the Business Combination. It is possible that such limitations could limit Company's ability to utilize such tax attributes and, therefore, result in an increase in Company's United States federal income tax liability. In addition, it is possible that all or a portion of Company's net operating loss carry-forwards may expire before they can be utilized.

Prospective investors should discuss the tax consequences of acquiring, holding and disposing of Company Shares with their own tax advisors.

Potential Adverse Tax Consequences from the Payment of Dividends on the Resulting Issuer Shares

The Resulting Issuer does not contemplate paying any dividends on the Resulting Issuer Shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purpose of the ITA will be subject to U.S. withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Canada-United States Tax Convention. In addition, a foreign tax credit or a deduction in respect of foreign taxes may not be available.

Dividends received by U.S. shareholders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. After giving effect to the Transaction, it is anticipated that the Resulting Issuer will be considered to be a U.S. corporation for U.S. federal income tax purposes. As such, dividends paid by the Resulting Issuer will be characterized as U.S. source income for purposes of the foreign tax credit rules under the Code. Accordingly, U.S. shareholders generally would not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor U.S. shareholders will be subject to U.S. withholding tax and would also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to a shareholder of the Resulting Issuer, subject to examination of the relevant treaty.

Unfavorable tax treatment of cannabis businesses

Under Section 280E of the Code, "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted." This provision has been applied by the U.S. Internal Revenue Service to cannabis operations, prohibiting them from deducting expenses directly associated with the sale of cannabis. Section 280E therefore has a significant impact on the retail side of cannabis, but a lesser impact on cultivation and manufacturing operations. A result of Section 280E is that an otherwise profitable business may, in fact, operate at a loss, after taking into account its income tax expenses.

18. PROMOTERS

There are no persons or companies who may be considered a promoter of Courtland within the two years immediately preceding the date of the Listing Statement.

19. LEGAL PROCEEDINGS

There are no actual or contemplated legal proceedings material to Courtland or TOK or a subsidiary of Courtland or TOK or of which any of their respective property is the subject matter and there are no such proceedings known to Courtland or TOK to be contemplated.

There have been no penalties or sanctions imposed against Courtland or TOK by a court or regulatory authority, and neither Courtland or TOK has entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, in the three years prior to the date of this Listing Statement.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of Courtland or TOK, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than ten percent (10%) of the Common Shares, or an associate or affiliate thereof had any material interest, direct or indirect, in any transaction within the three (3) years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will

materially affect Courtland, TOK or a subsidiary of Courtland or TOK except as disclosed in the TOK Financial Statements. The transactions for the year ended December 31, 2017, have been included below:

- For the year ended December 31, 2017, \$150,000 (year ended December 31, 2016 - \$173,465) was incurred for salary to Brian Main, President.
- For the year ended December 31, 2017, \$150,000 (year ended December 31, 2016 - \$150,000) was incurred for salary to Michael Caridi, Vice-President.
- These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at December 31, 2017, \$51,521 (December 31, 2016 - \$37,614) is included in accounts payable and accrued liabilities.
- As at December 31, 2017, nil shares with a value of \$nil (December 31, 2016 – 3,000,000 shares with value of \$6,000) are due to the President and Vice-President and are included under shares to be issued.
- As at December 31, 2017, convertible debentures with principal balance of \$nil (December 31, 2016 - \$239,000) as well as accrued interest of \$nil (December 31, 2016 - \$30,555) for a total of \$nil (December 31, 2016 - \$243,251) is owing to a Company controlled by a related party.
- During the years ended December 31, 2017, 2016 and 2015, various loans were provided to the Company by directors and officers. As at December 31, 2017 \$698,210 (December 31, 2016 - \$684,500) is outstanding. The amount is non-interest bearing, unsecured, without fixed terms of repayment and due on demand.

21. AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditor

The auditor of Courtland is Calvista LLP, 1635, 1632 – 14th Avenue NW, Calgary, AB T2N 1M7. The auditor of Courtland following the completion of the Proposed Transaction will be Fruci & Associates II, PLLC, 802 N. Washington St., Spokane, WA 99201.

Transfer Agent and Registrar

The registrar and transfer agent of the Common Shares is Computershare Trust Company of Canada at its Vancouver office located at 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9.

The registrar and transfer agent for Common Shares subsequent to the completion of the Proposed Transaction will be Computershare Trust Company of Canada.

22. MATERIAL CONTRACTS

The material contract, other than contracts entered into in the ordinary course of business that were entered into within the two (2) years before the date of this Listing Statement by Courtland and TOK are set out below:

1. The Merger Agreement (attached as *Appendix A* to this Listing Statement). See “*Courtland Significant Acquisitions or Dispositions*” for a general description of the terms of the Merger Agreement.
2. SGSCC Investment Agreement;
3. Macedonia Agreement; and
4. the Escrow Agreement.

A copy of these material contracts are and will be available for inspection without charge at the office of TingleMerrett LLP, 1250, 639 – 5 Avenue SW, Calgary, Alberta, T2P 0M9, during ordinary business hours from the date hereof until the completion of the Proposed Transaction.

23. INTERESTS OF EXPERTS

Calvista LLP, Chartered Professional Accountants are Courtland's independent auditors. Calvista LLP have confirmed they are independent in accordance with the rules of professional conduct of Chartered Professional Accountants of Alberta, and accordingly have no direct or indirect interest in the property of Courtland and do not own, directly or indirectly, any securities of Courtland. No partner or associate of Calvista LLP is or is expected to be elected, appointed or employed as a director, officer or employee of Courtland or of any associate or affiliate of Courtland.

As at the date hereof, partners and associates of Fruci & Associates II, PLLC, TOK's current auditors do not own, directly or indirectly, and securities of TOK. As of the date hereof, partners and associates of Fruci & Associates II, PLLC, who conducted the audit of the TOK financial statements, have no direct or indirect interest in the property of TOK and do not own, directly or indirectly, and securities of TOK. No partner or associate of Fruci & Associates II, PLLC is or is expected to be elected, appointed or employed as a director, officer or employee of TOK or of any associate or affiliate of TOK.

24. OTHER MATERIAL FACTS

There are no other material facts about Courtland or its securities, TOK or its securities, the Resulting Issuer, or the Proposed Transaction that are not elsewhere disclosed herein and which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to Courtland, TOK and their respective securities, and the Resulting Issuer, assuming completion of the Proposed Transaction.

25. FINANCIAL STATEMENTS

Courtland

The unaudited interim financial statements of Courtland for the nine months ended December 31, 2017, and the notes thereto and the audited financial statements of Courtland and the notes thereto for the years ended March 31, 2017, 2016 and 2015, attached as *Appendix B* to this Listing Statement.

TOK

The unaudited interim financial statements of TOK for the nine months ended March 31, 2018, and the notes thereto and the audited financial statements of TOK and the notes thereto for the years ended December 31, 2017 and 2016, attached as *Appendix D* to this Listing Statement.

**APPENDIX A
MERGER AGREEMENT**

**AMENDED AND RESTATED
MERGER AGREEMENT
AND PLAN OF MERGER**

By and Among

**COURTLAND CAPITAL INC.,
COURTLAND MERGER SUB INC.
and**

TREE OF KNOWLEDGE INC.

Dated May 8, 2018

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AMENDED AND RESTATED MERGER AGREEMENT

This Amended and Restated Merger Agreement and Plan of Merger (this “Agreement”), dated May 8, 2018 (the “Agreement Date”), by and among Courtland Capital Inc., a corporation organized under the laws of the province of British Columbia, Canada (“Courtland”), Tree of Knowledge Inc., a corporation organized under the laws of the state of Nevada (“TOK”), and Courtland Merger Sub Inc., a corporation organized under the laws of the state of Nevada and a wholly-owned subsidiary of Courtland (“Merger Sub” and, together with Courtland, the “Courtland Parties”), amended and restates in its entirety the Merger Agreement, dated April 2, 2018, between Courtland and TOK.

WHEREAS, the board of directors of Courtland deems it advisable and in the best interests of Courtland and its shareholders, that Merger Sub merge with and into TOK (the “Merger”) upon the terms and subject to the conditions set forth herein, and Courtland’s board of directors has approved this Agreement and the Merger, subject to approval by the shareholders of Courtland; and

WHEREAS, it is intended by the parties involved that for U.S. federal income tax purposes (i) the Merger qualifies as a reorganization within the meaning of Section 368 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and/or a tax-deferred transaction under Section 351 of the Code; and (ii) immediately following the Merger, Courtland will be treated as a U.S. domestic corporation pursuant to Section 7874(b) of the Code;

WHEREAS, the board of directors of TOK deems it advisable and in the best interests of TOK and its stockholders that TOK enter into and complete the Merger, and TOK’s board of directors has approved this Agreement and the Merger, subject to approval by the stockholders of TOK.

NOW, THEREFORE, in consideration of the premises and the representations, warranties and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

THE MERGER

1.1 *The Merger.* Upon the terms and subject to the conditions hereof, at the Effective Time, Merger Sub shall merge with and into TOK and the separate existence of Merger Sub shall thereupon cease and TOK shall be the surviving entity in the Merger (sometimes referred to herein as the “Surviving Entity”) as a wholly-owned Subsidiary of Courtland. The Merger shall have the effects set forth in Section 92A.250 of Nevada Revised Statutes (“NRS”) (Chapter 92A of the Nevada Revised Statutes being referred to herein as the “Merger Act”), including the Surviving Entity’s succession to and assumption of all rights and obligations of Merger Sub and TOK.

1.2 *Effective Time of the Merger.* The Merger shall become effective on the date (the “Effective Date”) and at the time (the “Effective Time”) upon the later of (i) the date and time of filing of properly executed Articles of Merger relating to the Merger with the Secretary of State of Nevada in accordance with the Merger Act (the “Articles of Merger”) and (ii) such later time as the parties shall agree and set forth in such Articles of Merger. The Articles of Merger shall be filed as soon as practicable on or prior to the Closing Date.

1.3 *U.S. Tax Treatment.* For U.S. federal income tax purposes, this Agreement is intended to constitute, and the parties hereby adopt this Agreement as, a “plan of reorganization” within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a). Each party agrees that, for U.S. federal income tax purposes, (a) it shall treat the Merger as a tax-free reorganization within the meaning of

Section 368(a) of the Code; (b) that it shall report the Merger as a “reorganization” within the meaning of Section 368(a) of the Code and it shall not take any tax reporting position inconsistent with such treatment for U.S. federal, state and other relevant tax purposes; (c) TOK, Courtland and Merger Sub are “parties to a reorganization” within the meaning of Section 368(b) of the Code; (d) it shall retain such records and file such information as is required to be retained and filed pursuant to Treasury Regulation Section 1.368(a)-3 in connection with the Merger; and (e) it shall otherwise use its best efforts to cause the Merger to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. The parties also intend that the Merger qualify as a tax-deferred transaction under Section 351 of the Code. In connection with the Merger and at all times from and after the Effective Date, the parties agree to treat Courtland as a United States domestic corporation for U.S. federal income tax purposes pursuant to Section 7874(b) of the Code. No party shall take any action, fail to take any action, cause any action to be taken or cause any action to be taken or cause any action to fail to be taken that could reasonably be expected to prevent (1) the Merger from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code, (2) the Merger from qualifying as a tax-deferred transaction under Section 351 of the Code, or (3) Courtland from being treated as a United States domestic corporation for U.S. federal income tax purposes pursuant to Section 7874(b) of the Code. Each party hereto agrees to act in good faith, consistent with the intent of the parties and the intended U.S. federal income tax treatment of the Merger as set forth in this Section 1.3.

ARTICLE II

THE SURVIVING ENTITY

2.1 *Articles of Incorporation and Bylaws.* The articles of incorporation and bylaws of TOK in effect immediately prior to the Effective Time shall be the articles of incorporation and bylaws of the Surviving Entity at and after the Effective Time until thereafter amended in accordance with the terms thereof and the NRS, provided that the articles of incorporation and bylaws of the Surviving Entity will contain provisions with respect to exculpation, indemnification and the advancement of expenses that are at least as favorable, to the officers and directors of the TOK, as those contained in the articles of incorporation and bylaws of TOK, as amended and as in effect on the date hereof.

2.2 *Officers and Directors.* At and after the Effective Time, Courtland and TOK shall, in accordance with all applicable corporate laws, rules and regulations, take all actions necessary to cause the appointment, with respect to the Surviving Entity, of the following persons: (i) Michael Caridi and Brian Main, as members of the board of directors, and (ii) Brian Main as President and Marco Guidi as treasurer, until their respective successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Entity’s articles of incorporation, bylaws and the NRS.

ARTICLE III

CONVERSION OF SHARES

3.1 *Conversion of Capital Stock.* At the Effective Time, by virtue of the Merger and without any action on the part of the holders of any capital stock described below:

(a) All TOK Common Shares that are held in TOK’s treasury or that are then owned by Courtland shall be canceled and cease to exist and no cash, Courtland capital stock or other consideration shall be delivered in exchange therefor.

(b) Subject to Section 3.2(i) and Section 3.3, all issued and outstanding TOK Common Shares (other than TOK Common Shares cancelled pursuant to Section 3.1(a)) shall be

automatically converted into and represent the right to receive Courtland Common Shares, on the basis of 1.892 Courtland Common Shares for each 1.0 TOK Common Share (the “Exchange Ratio”). All such TOK Common Shares shall be converted into shares of common stock of the Surviving Entity and shall represent issued and outstanding shares of common stock of the Surviving Entity, to be wholly owned by Courtland, and the holder of (i) a certificate in the case of TOK Physical Shares, or (ii) a statement of ownership in the case of TOK Book-Entry Shares, that, immediately prior to the Effective Time, represented such TOK Common Shares, shall cease to have any rights with respect thereto, except the right to receive, upon the surrender or transfer of such TOK Common Shares in accordance with Section 3.2, the number of Courtland Common Shares issuable therefor in accordance with the Exchange Ratio, without interest, and any amounts payable pursuant to Section 3.2(d). Notwithstanding the foregoing, if between the Agreement Date and the Effective Time, the Courtland Common Shares or TOK Common Shares are changed into a different number of shares or a different class because of any stock dividend or distribution, subdivision, reorganization, reclassification, recapitalization, split, combination or exchange of shares, the Courtland Common Shares to be issued pursuant to this Section 3.1(b) shall be appropriately adjusted to reflect such event.

(c) The shares of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall cease to be outstanding and shall automatically be cancelled as of the Effective Time.

(d) The Courtland Common Shares issued upon the surrender or transfer of TOK Common Shares in accordance with the terms hereof shall be issued in reliance upon (i) the exemption from registration provided by Rule 506(b) of Regulation D under the United States Securities Act of 1933, as amended (the “Securities Act”), Section 4(a)(2) of the Securities Act and/or other applicable exemptions from registration under the Securities Act and certain exemptions from applicable state securities laws, where issued in the United States, and (ii) the safe harbor provided by Regulation S under the Securities Act, where issued outside the United States.

(e) The Courtland Common Shares issued upon the surrender or transfer of TOK Common Shares in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such TOK Common Shares formerly represented by any physical certificate or statement of ownership in book-entry form, and from and after the Effective Time there shall be no further registration of transfers effected on the stock transfer books of the Surviving Entity of TOK Common Shares which were outstanding immediately prior to the Effective Time.

3.2 *Surrender and Payment.*

(a) *Exchange Agent and Exchange Fund.* Courtland shall authorize one or more transfer agent(s) to act as exchange agent hereunder (the “Exchange Agent”) with respect to the Merger. At and prior to the Effective Time, Courtland shall deposit, or cause to be deposited, with the Exchange Agent, as depository for the Courtland Common Shares, or any successor depository thereto, a number of Courtland Common Shares equal to the aggregate number of Courtland Common Shares to be issued in exchange for the TOK Common Shares pursuant to the Exchange Ratio (the “Exchange Fund”). The Exchange Agent shall deliver the applicable Courtland Common Shares in exchange for the TOK Common Shares pursuant to Section 3.1 out of the Exchange Fund. Except as contemplated by Section 3.2(d), the Exchange Fund shall not be used for any other purpose.

(b) *Exchange Procedures.* As soon as practicable after the Effective Time, Courtland shall cause the Exchange Agent to send to each holder of record of TOK Common Shares a letter of transmittal (which shall specify that delivery will be effected, and risk of loss and title to TOK Physical Shares shall pass, only upon receipt of the TOK Physical Shares by the Exchange Agent and shall be in a form and have such other provisions as Courtland and TOK may reasonably specify), and such other documents as may reasonably be requested by the Exchange Agent (which may include the receipt of an “agents message” by the Exchange Agent in connection with TOK Book-Entry Shares), for use in the exchange contemplated by Section 3.1 and instructions for use in effecting the surrender or transfer of TOK Common Shares for cancellation in accordance with this Agreement (together, the “Exchange Instructions”). Upon surrender or transfer of TOK Common Shares for cancellation to the Exchange Agent together with such letter of transmittal, properly completed and duly executed, and such other documents as may be required pursuant to the Exchange Instructions, the holder of such TOK Common Shares shall be entitled to receive in exchange therefor Courtland Common Shares (which shall be in uncertificated book-entry form unless a physical certificate is requested or as otherwise agreed to by Courtland and TOK) representing, in the aggregate, the whole number of Courtland Common Shares that such holder has the right to receive pursuant to Section 3.1 and Section 3.2(i), plus any amount payable pursuant to Section 3.2(d).

(c) *Transferred TOK Common Shares.* If any portion of the Courtland Common Shares are to be issued to a Person other than the registered holder of TOK Common Shares represented by the stock certificate(s) or statement of ownership surrendered or transferred in exchange therefor, no such issuance shall be made unless (i) the stock certificate(s) or statement of ownership so surrendered or transferred have been properly endorsed and contain any required Medallion Signature Guarantees and otherwise are in proper form for transfer, and (ii) the Person requesting such issuance has paid to the Exchange Agent any transfer or other Taxes required as a result of such issuance to a Person other than the registered holder or has established to the Exchange Agent’s satisfaction that such Tax has been paid or is not applicable.

(d) *Dividends and Distributions.* No dividends or other distributions declared or made with respect to Courtland Common Shares with a record date after the Effective Time shall be paid to the holder of any un-surrendered or un-transferred TOK Common Shares with respect to the Courtland Common Shares that such holder would be entitled to receive until surrender or transfer of such TOK Common Shares in accordance with Sections 3.1 or 3.2(f). Following surrender or transfer of any TOK Common Shares, there shall be paid to such holder of Courtland Common Shares issuable in exchange therefor, without interest, (i) as soon as practicable after the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such Courtland Common Shares, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such Courtland Common Shares. For purposes of dividends or other distributions in respect of Courtland Common Shares, all Courtland Common Shares to be issued pursuant to the Merger shall be entitled to dividends pursuant to the immediately preceding sentence as if such Courtland Common Shares were issued and outstanding as of the Effective Time.

(e) *Termination of Exchange Fund.* Any portion of the Exchange Fund that remains unclaimed by the holders of TOK Common Shares one year after the Effective Time shall be returned to Courtland, upon demand, and any such holder who has not exchanged such holder’s TOK Common Shares in accordance with this Section 3.2 prior to that time shall thereafter look only to Courtland to exchange such TOK Common Shares pursuant to Section 3.1 or 3.2(i) or to pay amounts to which such holder is entitled pursuant to Section 3.2(d). Neither Courtland nor

the Surviving Entity shall be liable to any holder of TOK Common Shares for any such Courtland Common Shares (or dividends or distributions with respect thereto) from the Exchange Fund delivered to a public official pursuant to any abandoned property, escheat or similar Law.

(f) Subject to applicable abandoned or unclaimed property laws, any certificates formerly representing TOK Common Shares that are not deposited with all other documents as provided in Section 3.2(b) on or before the fifth anniversary of the Effective Time shall cease to represent any right or claim of any kind or nature and the right of the former shareholder of such TOK Common Shares to receive certificates representing Courtland Common Shares and the TOK Common Shares otherwise issuable to such former TOK shareholder shall be deemed to be surrendered to Courtland together with all dividends or distributions thereon held for such shareholder.

(g) *Lost Certificates.* If any TOK Physical Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such TOK Physical Shares to be lost, stolen or destroyed and, if required by Courtland or the Exchange Agent, the posting by such Person of a bond, in such reasonable amount as Courtland or the Exchange Agent may direct, as indemnity against any claim that may be made against it with respect to such TOK Physical Shares, the Exchange Agent shall pay in exchange for such lost, stolen or destroyed TOK Physical Shares the Courtland Common Shares payable in respect of the TOK Physical Shares formerly represented by such lost, stolen or destroyed stock certificate, without interest.

(h) *Withholding.* Each of Courtland, the Surviving Entity and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of TOK Common Shares such amounts as Courtland, the Surviving Entity or the Exchange Agent determine are required to be deducted and withheld under the Code or any provision of state, local, or foreign Tax Law with respect to the making of such payment, such withholding of Courtland Common Shares issued to any holder of TOK Common Shares shall be an amount determined by Courtland to be reasonably necessary to satisfy the Courtland's withholding obligation. To the extent that amounts are so withheld by Courtland, the Surviving Entity or the Exchange Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of TOK Common Shares in respect of which such deduction and withholding was made by Courtland, the Surviving Entity or the Exchange Agent, as the case may be. Courtland and TOK shall cooperate with and assist each other with efforts to reduce or eliminate such withholding Taxes. Courtland will sell a sufficient number of Courtland Common Shares to satisfy the withholding obligation and the balance of any Courtland Common Shares and any cash proceeds remaining after satisfaction of the withholding obligation shall be remitted to the holder.

(i) *No Fractional Shares.* No certificates or scrip or fractional Courtland Common Shares or book-entry credit representing such fractional share interests shall be issued upon the surrender of TOK Common Shares. Each holder of TOK Common Shares exchanged pursuant to this Article III (after taking into account all TOK Common Shares delivered or transferred by such holder) who would otherwise have been entitled to receive a number of Courtland Common Shares which is not a whole number shall receive the number of Courtland Common Shares rounded to the nearest whole number (and, if the fraction is 0.5, the number of Courtland Common Shares shall be rounded up to the next whole number). The parties acknowledge that rounding of fractional Courtland Common Shares was not separately bargained for consideration but merely represents a mechanical rounding off for purposes of simplifying the corporate and accounting problems that would otherwise be caused by the issuance of fractional Courtland Common Shares.

3.3 *Dissenting Stockholders.*

(a) Notwithstanding anything in this Agreement to the contrary, in the event that the applicable requirements of Section 92A.120 of the Merger Act have been satisfied, TOK Common Shares which were outstanding on the date for the determination of stockholders entitled to vote on the Merger and which were voted against the Merger and the holders of which have demanded that TOK purchase such shares at their fair value in accordance with Sections 92A.300 through 92A.500 of the Merger Act and have not otherwise failed to perfect or shall not have effectively withdrawn or lost their rights to require such shares to be purchased for cash under the Merger Act (collectively, “Dissenting Shares”), shall not be converted into or represent the right to receive any Courtland Common Shares pursuant to Section 3.1(b), but, instead, the holders thereof shall be entitled to have their shares purchased for cash at the fair value of such Dissenting Shares as agreed upon or determined in accordance with the provisions of Sections 92A.460 through 92A.500 of the Merger Act.

(b) If any stockholder who holds Dissenting Shares as of the Effective Time effectively withdraws or loses (through passage of time, failure to demand or perfect, or otherwise) the right to demand and perfect dissenters’ rights under the Merger Act, then, as of the later of the Effective Time and the occurrence of such event, such holder’s shares that were Dissenting Shares shall automatically be converted into and represent only the right to receive the Courtland Common Shares pursuant to and subject to Section 3.1(b) without interest thereon upon surrender of the certificates representing such holder’s TOK Common Shares.

(c) TOK shall give Courtland (i) prompt written notice of any written demands for purchase of any TOK Common Shares pursuant to the exercise of dissenters’ rights, withdrawals of such demands, and any other instruments or notices served pursuant to the Merger Act on TOK and (ii) the opportunity to participate in all negotiations and proceedings with respect to demands for purchase of any TOK Common Shares pursuant to the exercise of dissenters’ rights under the Merger Act. TOK shall not, except with the prior written consent of Courtland, voluntarily make or agree to make any payment with respect to any demands for purchase of any shares of TOK Common Shares pursuant to the exercise of dissenters’ rights under the Merger Act, or settle or offer to settle any such demands.

3.4 *Closing.* The closing (the “Closing”) of the transactions contemplated by this Agreement will take place at 2:00 pm, on the day of or the next business day after the satisfaction or (to the extent permitted by applicable Law) waiver of the conditions set forth in Article IX, other than any such conditions which by their nature cannot be satisfied until the Closing Date, or such other time agreed by the parties, at the offices of TingleMerrett LLP unless another time, date or place is agreed to in writing by the parties hereto (the date upon which the Closing occurs being referred to herein as the “Closing Date”).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF TOK

4.1 *TOK Representations.* TOK hereby makes to Courtland the representations and warranties as set forth in Schedule A to this Agreement and acknowledges that Courtland is relying upon those representations and warranties in connection with entering into this Agreement.

4.2 *Investigation.* Any investigation by Courtland and its advisors shall not mitigate, diminish or affect the representations and warranties of TOK pursuant to this Agreement, except that Courtland shall not be able to rely on any breach of a representation or warranty of which any of

Courtland's officers (as of the date of this Agreement) was actually aware on or before the date of this Agreement to terminate this Agreement, fail to close the transactions contemplated by this Agreement or seek damages or any other remedy pursuant to this Agreement.

4.3 *Survival.* The representations and warranties of TOK contained in this Agreement shall not survive the completion of the Merger and shall expire and be terminated and extinguished as of the Effective Time.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COURTLAND PARTIES

5.1 *Courtland Representations.* Courtland hereby makes to TOK the representations and warranties as set forth in Schedule B to this Agreement and acknowledges that TOK is relying upon those representations and warranties in connection with entering into this Agreement.

5.2 *Representations and Warranties of Merger Sub.* Merger Sub hereby makes to TOK the representations and warranties in subparts (a), (b), (f), (g), (h), (i), (k), (o), (p), and (ii) as set forth in Schedule B to this Agreement, provided that references to "Courtland" shall be interpreted to mean Merger Sub. In addition, Merger Sub represents and warrants to TOK that Merger Sub is wholly-owned by Courtland, was formed solely for the purpose of engaging in the Merger and has engaged in no other business activities other than those relating to the Merger.

5.3 *Investigation.* Any investigation by TOK and its advisors shall not mitigate, diminish or affect the representations and warranties of the Courtland Parties pursuant to this Agreement, except that TOK shall not be able to rely on any breach of a representation or warranty of which any of TOK's officers (as of the date of this Agreement) was actually aware on or before the date of this Agreement to terminate this Agreement, fail to close the transactions contemplated by this Agreement or seek damages or any other remedy pursuant to this Agreement.

5.4 *Survival.* The representations and warranties of the Courtland Parties contained in this Agreement shall not survive the completion of the Merger and shall expire and be terminated and extinguished as of the Effective Time.

ARTICLE VI

TOK'S COVENANTS

6.1 *Conduct of TOK's Business.* TOK covenants and agrees that, until Closing or the termination of this Agreement, whichever is earlier, except: (i) with the prior written consent of Courtland; or (ii) as otherwise expressly permitted by this Agreement, it shall:

(a) conduct its business in the ordinary course of business consistent with past practice;

(b) provide to Courtland reports on TOK's operations and affairs as may be reasonably requested from time to time by Courtland;

(c) use its reasonable commercial efforts to cause its current insurance policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies providing coverage equal to or greater than the coverage under the

cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(d) use its reasonable commercial efforts to preserve intact its business organizations and goodwill and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;

(e) defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby;

(f) immediately notify Courtland of any actual, possible or threatened Material Adverse Effect on TOK, and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated) issued to TOK;

(g) keep Courtland informed as to the decisions required with respect to the most advantageous methods of exploring, operating and producing TOK's assets;

(h) use its reasonable commercial efforts to cooperate with Courtland to enable an orderly integration of the business and affairs of TOK with Courtland after the Effective Date;

(i) assist Courtland in the preparation of the management information circular in accordance with applicable Law (the "Information Circular") and provide to Courtland, in a timely and expeditious manner, all information as may be reasonably requested by Courtland or is required by applicable law, with respect to TOK and its affiliates, the Merger and the transactions to be completed at the Courtland Meeting (the "TOK Information") for inclusion in the Information Circular and any amendments or supplements to the Information Circular, in each case complying in all material respects with all applicable Laws on the date of issue thereof;

(j) indemnify and save harmless Courtland and the directors, officers and agents of Courtland from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Courtland, or any director, officer or agent thereof, may be subject or which Courtland, or any director, officer or agent thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation in the Information Circular relating to TOK Information or any material in respect of TOK or its affiliates filed in compliance or intended compliance with applicable Laws;

(k) make available and cause to be made available to Courtland, its agents and advisors, as Courtland may reasonably request, all documents and agreements (including without limitation, any correspondence between TOK and its advisors or any governmental body and all minute books) and access to TOK's premises, field operations, records, computer systems and employees in any way relating to or affecting TOK's business or the business, operations, prospects, affairs or financial status of TOK and such other documents or agreements as may be necessary to enable Courtland to verify the truth of the representations and warranties of TOK herein and compliance by TOK with the terms and conditions hereof (which Courtland agrees shall constitute Confidential Information unless such information is excluded by the terms of the definition of Confidential Information), except where TOK is contractually precluded by an agreement pre-existing the date of this Agreement from making such document or agreement available, and cooperate with Courtland in securing access for Courtland to any such documentation not in the possession or under the control of TOK;

(l) not disclose to any Person, other than officers, directors and employees and professional advisors of TOK, any Confidential Information relating to Courtland except information that is generally available to and known by the public, that is received by TOK on a non-confidential basis from someone who is not prohibited from transmitting such information, that was known by TOK prior to disclosure hereunder (and is not subject to a confidentiality obligation of TOK), that is required to be disclosed by law, or that is otherwise known to the public or that is permitted pursuant to another agreement between Courtland and TOK;

(m) make arrangements before the Effective Date with the directors, employees and consultants of TOK so that those persons shall make reasonable efforts to cooperate with Courtland to enable an orderly integration of TOK's business into the operations of Courtland after the Effective Date; and

(n) at the request of Courtland, TOK shall use its reasonable commercial efforts to attempt to remedy any title defects identified by Courtland before the Effective Date.

6.2 *Negative Covenants of TOK.* TOK covenants and agrees that, until Closing or the termination of this Agreement, whichever is the earlier, except: (i) as specifically disclosed to Courtland in writing on or before the date hereof; (ii) with the prior written consent of Courtland; or (iii) as otherwise expressly permitted by this Agreement, it shall not:

(a) pursue any other material corporate acquisition or disposition, amalgamation, merger, arrangement involving TOK or any material purchase or sale of assets by TOK;

(b) issue, enter into any agreement to issue or grant any right to acquire (whether absolute or contingent) any securities of TOK;

(c) effect any changes in TOK's capital structure or its articles or by-laws;

(d) split, combine or re-classify the outstanding TOK Common Shares, or declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise in respect of TOK Common Shares;

(e) redeem, purchase or offer to purchase any TOK Common Shares or other TOK securities, except as otherwise contemplated herein;

(f) reduce the stated capital of TOK or any of its outstanding securities;

(g) pay any dividends or make any distributions to its shareholders;

(h) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person, corporation, partnership or other business or organization or division or, except in the ordinary course of business consistent with past practice and subject to the expenditure limitation set forth in Section 6.2(i), any assets or property;

(i) expend any capital amounts, incur any liabilities (other than operating costs in the ordinary course of business consistent with TOK's past practice), create any Encumbrance on any of its properties or assets, enter into any agreements, arrangements, provide any loans, or make any commitments, or make any offers that could result in any agreements or commitments, in an amount in excess of \$50,000 in the aggregate;

(j) pay, discharge or satisfy any claims, liabilities or obligations other than those which were incurred before the date of this Agreement and which were disclosed to Courtland before the date of this Agreement, except in the ordinary course of business consistent with TOK's past practice (TOK shall promptly provide Courtland of notice of such payments made in reliance on this exception);

(k) sell, dispose of, transfer, convey, encumber, surrender, release or abandon the whole or any part of its material assets;

(l) grant any officer or director an increase in compensation in any form, or take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements, for any directors, officers or employees, nor adopt or amend (other than to permit accelerated vesting of options) or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan from a trust fund or arrangement for the benefit of directors, officers or employees, except as is necessary to comply with applicable Laws or the existing provisions of any such plans or agreements or make any loan to any director, officer, employee, consultant or any other party not at arm's length with TOK; or

(m) agree to take any of the actions described above.

6.3 *Non-Solicitation.* TOK shall immediately cease and cause to be terminated all existing discussions and negotiations, if any, with any parties (other than Courtland) conducted on or before the date of this Agreement with respect to any actual or potential Acquisition Proposal (as defined below). TOK shall immediately advise Courtland orally and in writing of any response or action (actual, anticipated, contemplated or threatened) by any party with whom TOK has had any discussions or negotiations before the date of this Agreement with respect to any actual or potential Acquisition Proposal (as defined below) which could hinder, prevent or delay or otherwise adversely affect the completion of the proposed transaction. Except with the prior consent of Courtland or as otherwise permitted by this Agreement, TOK shall not (and shall cause its subsidiaries, directors, officers, advisors and other representatives not to) directly or indirectly:

(a) solicit, initiate or encourage (including, without limitation, by way of furnishing information) any inquiry or the making of any proposal to TOK from any Person which constitutes, or may reasonably expect it to lead to (in either case, whether in one transaction or a series of transactions):

(i) an acquisition from TOK, its subsidiaries or their shareholders of any class of securities of TOK and its subsidiaries;

(ii) any acquisition of the assets of TOK;

(iii) an amalgamation, arrangement or merger, of any of TOK or its subsidiaries;

(iv) any take-over bid, issuer bid, exchange offer, re-capitalization, liquidation, dissolution, re-organization involving any of TOK or its subsidiaries; or

(v) any other transaction the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the Merger or which would or could reasonably be expected to materially reduce the benefits of the Merger to Courtland,

(any such inquiry or proposal in respect of any of the foregoing referred to as an “Acquisition Proposal”);

(b) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal or furnish any other Person any information with respect to the business, properties, operations, prospects or conditions (financial or otherwise) of TOK or its subsidiaries or of an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate, encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing; or

(c) waive, or otherwise forbear (except in respect of non-material matters) in the enforcement of (or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of) any rights or other benefits of TOK or its subsidiaries in any Confidential Information agreement and TOK shall request the return or destruction of all Confidential Information of TOK or its subsidiaries provided in connection with such agreements, pursuant to the terms of such agreements and as permitted by them.

6.4 *Effect of a Superior Proposal.* Notwithstanding Section 6.3, none of the provisions of this Agreement shall prevent the board of directors of TOK (or its subsidiaries, officers, employees, advisors and other representatives) from responding to any unsolicited offer or proposal in writing regarding an Acquisition Proposal from a third party if:

(a) prior to providing any additional information, such third party first enters into a confidentiality agreement in a form satisfactory to Courtland (which allows the making of the proposal) and which confidentiality agreement shall allow the disclosure by TOK of the material features of the Acquisition Proposal (or modification of such proposal made by such third party) to Courtland;

(b) such third party has demonstrated, in the reasonable judgment of TOK, that the funds or other consideration necessary for the Acquisition Proposal shall be available when required; and

(c) TOK’s board of directors has concluded in good faith after consulting with its legal and financial advisors:

(i) that such Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction that is superior for holders of TOK Common Shares (“TOK Stockholders”), from a financial point of view, to the Merger; and

(ii) after considering applicable Law, that any such response in connection with such Acquisition Proposal is necessary in order for the board of directors to properly discharge its fiduciary duties under applicable Law,

(such proposal which satisfies both conditions being a “Superior Proposal”).

6.5 *Obligations to Courtland.* If a Superior Proposal is made to TOK, TOK shall have the following obligations to Courtland:

(a) TOK shall notify Courtland immediately if any Superior Proposals contemplated by Section 6.4 are received by TOK and the material details of any such inquiries or proposals; and

(b) if any information is provided to a third party after the execution of this Agreement for the purpose of assisting that third party in making an offer or proposal to it or its shareholders which has not been previously made available to Courtland, such information shall simultaneously be provided or made available to Courtland. Information provided hereunder shall constitute Confidential Information (unless it is excluded by the terms of the definition of Confidential Information).

6.6 *Acceptance of Superior Proposal.* TOK shall not accept, approve or recommend or enter into any agreement (except for a confidentiality agreement permitted pursuant to Section 6.4) in respect of an Acquisition Proposal on the basis that it constitutes a Superior Proposal unless:

(a) it has provided Courtland or its legal counsel with a copy of the Acquisition Proposal document which has been determined pursuant to Section 6.4(c) to be a Superior Proposal (with such deletions as are necessary to protect confidential portions of such Acquisition Proposal document, provided that the material terms, conditions and the identity of the Person, and controlling Person, if any, making the Acquisition Proposal cannot be deleted);

(b) 72 hours (the “Notice Period”) shall have elapsed from the later of:

(i) the time that TOK provided Courtland and its legal counsel with written notice of the determination of TOK to accept, approve or recommend an agreement in respect of such Acquisition Proposal; and

(ii) the time that TOK provided Courtland or its legal counsel with a copy of the Acquisition Proposal document (as may be modified in accordance with Section 6.6(a));

(c) TOK has paid to Courtland’s legal counsel, in trust for Courtland the fee payable under Section 10.5; and

(d) TOK concurrently terminates this Agreement pursuant to Section 10.2(b).

6.7 *Courtland’s Right to Amend Offer.* The following procedures shall apply during the Notice Period:

(a) TOK shall provide a reasonable opportunity to Courtland to consider, discuss and offer such adjustments in the terms and conditions of this Agreement as would enable TOK to proceed with its recommendation to TOK Stockholders with respect to the Merger (provided however that any such adjustment shall be at the sole discretion of the parties);

(b) the board of directors of TOK shall review in good faith any offer made by Courtland to amend the terms of this Agreement in order to determine, in its discretion, as part of its exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Superior Proposal ceasing to be a Superior Proposal; and

(c) if the board of directors of TOK determines that the Superior Proposal would cease to be a Superior Proposal, it shall so advise Courtland and shall accept the offer of Courtland to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing.

Each successive material modification of any Superior Proposal made during the Notice Period shall constitute a new Superior Proposal for the purposes of this Article and shall require an

additional 72 hour Notice Period from the later of the time such amendment is communicated to Courtland or its legal counsel (other than an amendment to improve upon a Superior Proposal in respect of which Courtland has been provided with an opportunity to amend the terms of this Agreement and such Superior Proposal has not ceased to be a Superior Proposal prior to the proposed amendment). During this additional Notice Period, the provisions of this Section 6.7 shall apply.

6.8 *Conclusion of the Notice Period.* At the conclusion of the Notice Period (including an extended Notice Period provide for by Section 6.7), if the board of directors of TOK continues to believe, in good faith and after consultation with its advisors, that such Superior Proposal remains a Superior Proposal and therefore rejects any amendments offered by Courtland, TOK may, subject to the terms of this Agreement (including the payment of applicable fees under Section 10.5), accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal.

ARTICLE VII

COURTLAND'S COVENANTS

7.1 *Conduct of Courtland's Business.* Courtland covenants and agrees that, until Closing or the termination of this Agreement, whichever is earlier, except: (i) with the prior consent of TOK; (ii) as expressly permitted by this Agreement, it shall:

(a) conduct Courtland's business and the business of its subsidiaries in the ordinary course of business consistent with past practice;

(b) provide to TOK reports on Courtland's operations and affairs as may be reasonably requested from time to time by TOK;

(c) use its reasonable commercial efforts to cause its current insurance policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(d) use its reasonable commercial efforts to preserve intact its business organizations and goodwill and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;

(e) defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby;

(f) immediately notify TOK of any actual, possible or threatened Material Adverse Effect on Courtland, and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated) issued to Courtland;

(g) use its reasonable commercial efforts to cooperate with TOK to enable an orderly integration of the business and affairs of TOK with Courtland after the Effective Date;

(h) assist TOK in the preparation of the proxy solicitation materials and provide to TOK, in a timely and expeditious manner, all information as may be reasonably requested by

TOK or is required by applicable law, with respect to Courtland and its affiliates, the Merger and the transactions to be completed at the TOK Meeting (the “Courtland Information”) for inclusion in the proxy solicitation materials and any amendments or supplements to the proxy solicitation materials, in each case complying in all material respects with all applicable Laws on the date of issue thereof;

(i) indemnify and save harmless TOK and the directors, officers and agents of TOK from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which TOK, or any director, officer or agent thereof, may be subject or which TOK, or any director, officer or agent thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation in the proxy solicitation materials relating to Courtland Information or any material in respect of Courtland or its affiliates filed in compliance or intended compliance with applicable Laws;

(j) make all other necessary filings and applications under applicable Laws required on the part of Courtland in connection with the transactions contemplated herein and take all reasonable commercial action necessary to be in compliance with such laws and regulations, including, without limitation, application to TSXV for conditional approval for the listing of the Courtland Shares issuable pursuant to the Merger;

(k) make available and cause to be made available to TOK, its agents and advisors, as TOK may reasonably request, all material agreements, reserve reports, and sample title information for high-value properties and such other material information of Courtland as may be reasonably necessary to enable TOK to verify the truth of the representations and warranties of Courtland herein and compliance by Courtland with the terms and conditions hereof (which TOK agrees is Confidential Information of Courtland), except where Courtland is contractually precluded by an agreement pre-existing the date of this Agreement from making such document or agreement available, and cooperate with TOK in securing access for TOK to any such documentation not in the possession or under the control of Courtland; and

(l) not disclose to any Person, other than officers, directors and key employees and professional advisors of Courtland, any Confidential Information relating to TOK received pursuant to Section 6.1 or otherwise under this Agreement, all of which shall constitute Confidential Information unless such information is excluded by the terms of the definition of Confidential Information.

TOK acknowledges that none of these provisions shall operate to prevent Courtland from completing corporate or asset acquisitions or dispositions of any kind or any kind of equity or debt financing.

7.2 Indemnification of Directors and Officers, Corporate Indemnities and Insurance. For a period of three years after the Effective Date, Courtland shall:

(a) maintain in effect the current or substantially similar (subject to any changes required by applicable Laws in the jurisdiction in which Courtland may exist from time to time) provisions regarding indemnification of officers and directors contained in the constating documents of Courtland and its subsidiaries and any directors’, officers’ or employees’ indemnification agreements of Courtland and its subsidiaries;

(b) indemnify the directors and officers of Courtland and its subsidiaries to the fullest extent to which Courtland and its subsidiaries are permitted to indemnify such officers and

directors under its articles and bylaws and applicable laws in the jurisdiction in which Courtland may continue to exist from time to time.

Notwithstanding the foregoing, this Section shall not restrict or prohibit Courtland or TOK from entering into any transaction subsequent to the Effective Date, including a merger, amalgamation, arrangement, dissolution, liquidation, reorganization of capital or sale of all or substantially all of the assets of Courtland or TOK or a Subsidiary of either of them to another entity, causing Courtland, TOK or a Subsidiary of either of them to assume the liabilities of another entity or otherwise reorganizing or restructuring Courtland, TOK or a Subsidiary of either of them or their respective businesses.

7.3 *Ability to Rely on Covenants.* The provisions of Section 7.2 are, from and after the Effective Date:

(a) for the benefit of, and shall be enforceable by, each indemnified party, his heirs, executors, administrators and other legal representatives; and

(b) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise, and such rights shall be held by TOK or Courtland, as the case may be, in trust for such Person provided however that no approval of any beneficiary of such trust shall be required in connection with an amendment or variation of this Section prior to the Effective Date.

ARTICLE VIII

ADDITIONAL AGREEMENTS

8.1 *Access to Information; Confidentiality.*

(a) Subject to Section 7.1(b), from the Agreement Date until the earlier of the Effective Time and the date, if any, on which this Agreement is terminated pursuant to Article IX, TOK shall (i) provide to Courtland (and Courtland's officers, directors, employees, accountants, consultants, legal counsel, agents and other representatives) reasonable access during normal business hours upon prior notice to the officers, employees, agents, properties, offices and other facilities of TOK to the facilities, offices, properties, technology, processes, books, business and financial records, officers, employees, business plans, budget and projections, customers, suppliers and other information of TOK, and the work papers of its independent accountants, and otherwise provide such assistance as may be reasonably requested by such party in order that the other party has a reasonable opportunity to make such investigation and evaluation as it reasonably desires to make of the business and affairs of TOK; and (ii) furnish promptly to Courtland such information concerning the business, properties, contracts, assets, Liabilities, personnel and other aspects of TOK as reasonably requested. Subject to Section 7.1(b), from the Agreement Date until the earlier of the Effective Time and the date, if any, on which this Agreement is terminated pursuant to Article IX, Courtland shall (i) provide to TOK (and TOK's officers, directors, employees, accountants, consultants, legal counsel, agents and other representatives) reasonable access during normal business hours upon prior notice to the officers, employees, agents, properties, offices and other facilities of Courtland and its Subsidiaries to the facilities, offices, properties, technology, processes, books, business and financial records, officers, employees, business plans, budget and projections, customers, suppliers and other information of Courtland and its Subsidiaries, and the work papers of its independent accountants, and otherwise provide such assistance as may be reasonably requested by such party in order that the other party has a reasonable opportunity to make such investigation and evaluation as it reasonably desires to make of the business and affairs of Courtland and its

Subsidiaries; and (ii) furnish promptly to TOK such information concerning the business, properties, contracts, assets, Liabilities, personnel and other aspects of Courtland and its Subsidiaries as reasonably requested. Each of Courtland and TOK shall use its reasonable efforts to give prompt notice to the other party of any event or circumstance of which it becomes aware that results in any representation or warranty made by such party contained in this Agreement being untrue or inaccurate in any material respect or TOK, Courtland or Merger Sub, as the case may be, being unable to comply with or satisfy any of its covenants or agreements hereunder; *provided, however*, that the receipt of any information or the delivery of any notice pursuant hereto shall not limit or otherwise affect either party's rights or obligations under this Agreement.

(b) Except as may be required by law or the Canadian Securities Exchange ("CSE"), no public disclosure of the transactions contemplated hereby will be made by either party without the prior consent of the other party. Courtland and TOK agree to cooperate in connection with all publicity and press releases relating to the transactions contemplated by this Agreement. Courtland and TOK agree to maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement that is not otherwise generally available to the public ("Confidential Information") for a period of one year following the termination of this Agreement. In the event that the Merger as contemplated in this Agreement is not consummated, each party shall return any confidential schedules, documents or other written information to the party who provided same in connection with this Agreement. Courtland and TOK agree that they will not, directly or indirectly, make reciprocal use for their own purposes of any information or confidential data relating to the other party or the other party's business discovered or acquired by them, their representatives or accountants as a result of a party making available to them, their representatives and accountants, any information, books, accounts, records or other data and information relating to such party or such party's business and each party agrees that they will not disclose, divulge or communicate orally, in writing or otherwise, any such information or confidential data so discovered or acquired to any other Person. Notwithstanding the foregoing, it is hereby acknowledged and agreed to by each of Courtland and TOK that: (i) each party or its representatives shall be at liberty to disclose any Confidential Information in the course of complying with applicable laws, regulations or the requirements of any lawful authority; and (ii) nothing in this Section 8.1(b) shall prevent either from entering into a business of a similar nature to the business presently or hereafter conducted by either party.

8.2 *Cooperation.* Subject to compliance with applicable Law, from the Agreement Date until the Effective Time, each of Courtland and TOK shall confer on a regular and frequent basis with one or more representatives of the other to report on their respective material operational matters and the general status of ongoing operations and each party shall promptly provide the other party or its counsel with copies of all filings made by such party with any Governmental Authority in connection with this Agreement and the Merger.

8.3 *Disclosure.* Upon execution of this Agreement, the parties hereto shall issue a joint press release which announces that the parties hereto have entered into a formal agreement providing for the implementation of the Merger. The parties shall not issue any press release without the consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, if either party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that party shall inform, to the extent reasonably feasible, the other party as to the wording of such disclosure prior to its being made.

8.4 *Filings.* Each party shall make all filings such party is required to make in connection herewith or desirable to achieve the purposes contemplated hereby, shall respond as promptly as practicable to all inquiries or requests for information received from a Governmental Authority in relation

to such filings or notices for additional information or documentation and shall cooperate as needed with respect to any such filings by any other party.

8.5 *Employee Matters.* On and after the Closing, until at least the 90th day after the Closing, Courtland shall cause the Surviving Entity to provide each employee of TOK or any of its affiliates who is retained by the Surviving Entity or any of their affiliates following the Closing (each, a “Continuing Employee”) with (a) salary that is not less than the Continuing Employee’s salary immediately prior to the Closing, and (b) the benefit plans, programs and arrangements that are at a level that is not less than the benefit plans, programs and arrangements currently provided to the Continuing Employee. Each Continuing Employee shall be given credit under such plan for the last continuous period of service with TOK and its affiliates prior to the Closing for purposes of determining eligibility to participate, vesting in benefits and vacation and severance benefits, but for no other purpose (including, without limiting the generality of the foregoing, the accrual of benefits)

8.6 *TOK Stockholders’ Meeting.* TOK shall, as promptly as reasonably practicable, (i) take all action necessary in accordance with applicable Law and the articles of incorporation and bylaws of TOK duly to give notice of, convene and hold a meeting of its stockholders to be held as promptly as practicable to consider the approval of this Agreement and the Merger (the “TOK Meeting”); (ii) engage a proxy solicitation agent, which is approved by Courtland (such approval not to be unreasonably withheld), to advise on and assist with the solicitation of proxies in connection with the adoption of this Agreement and the consummation of the Merger (the “TOK Stockholders’ Approvals”); (iii) use commercially reasonable efforts to solicit from its stockholders proxies in favor of the TOK Stockholders’ Approvals and (iv) take all other action reasonably necessary or advisable to secure the vote of its stockholders required by applicable Law to obtain such approvals. Notwithstanding anything to the contrary contained in this Agreement, TOK may adjourn or postpone the TOK Meeting to the extent necessary to ensure that any necessary supplement or amendment to the proxy solicitation materials is provided to its stockholders in advance of a vote on the approval of this Agreement and the Merger, or, if as of the time for which the TOK Meeting is originally scheduled, there are insufficient TOK Common Shares, as the case may be, represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting. TOK shall use commercially reasonable efforts such that the TOK Meeting is called, noticed, convened, held and conducted, and that all proxies solicited in connection with the TOK Meeting are solicited in compliance with applicable Law and the articles of incorporation and bylaws of TOK. Notwithstanding anything contained herein to the contrary, TOK shall not be required to hold the TOK Meeting if this Agreement is terminated or if TOK has accepted, approved, recommended or entered into a Superior Proposal (as defined in Section 6.4 above) in accordance with Article VI above before the TOK Meeting is held.

8.7 *Stock Exchange Listing.* Courtland shall use its reasonable best efforts to cause the Courtland Common Shares to be issued in the Merger to be approved for listing on the CSE at or prior to the Effective Time, subject to official notice of issuance.

8.8 *Notice of Certain Events.* TOK shall give prompt notice to Courtland of any fact, event or circumstance as to which TOK obtains knowledge that would be reasonably likely to result in a failure of a condition set forth in Section 9.3. Courtland shall give prompt notice to TOK of any fact, event or circumstance as to which Courtland obtains knowledge that would be reasonably likely to result in a failure of a condition set forth in Section 9.6. Prior to the Closing, TOK may deliver to Courtland a letter that reflects any event, condition or circumstance occurring or arising after the Agreement Date that is not otherwise prohibited pursuant to this Agreement and which, in the aggregate taking into account all supplemental disclosures provided pursuant to this Section 8.8, have not had and would not reasonably be expected to have a Material Adverse Effect on TOK, in which case, prior to the Closing, the specified representations and warranties made by TOK will be deemed modified to reflect such event as of the date that such event occurs or arises for purposes of determining whether the conditions set forth in Section 9.3

have been satisfied. Prior to the Closing, Courtland may deliver to TOK a letter that reflects any event, condition or circumstance occurring or arising after the Agreement Date that is not otherwise prohibited pursuant to this Agreement and which, in the aggregate taking into account all supplemental disclosures provided pursuant to this Section 8.8, have not had and would not reasonably be expected to have a Material Adverse Effect on Courtland, in which case, prior to the Closing, the specified representations and warranties made by Courtland will be deemed modified to reflect such event as of the date that such event occurs or arises for purposes of determining whether the conditions set forth in Section 9.6 have been satisfied.

8.9 *Takeover Statutes.* TOK and Courtland shall (i) take all action necessary to ensure that no state takeover statute or similar statute or regulation is or becomes applicable to this Agreement, the Merger or any of the transactions contemplated hereby and (ii) if any state takeover statute or similar statute or regulation becomes applicable to this Agreement or any of the transactions contemplated hereby, take all action necessary to ensure that such transactions may be consummated as promptly as practicable on the terms required by, or provided for, in this Agreement and otherwise to minimize the effect of such statute or regulation on the Merger and the other transactions contemplated by this Agreement.

8.10 *Courtland Shareholders' Meeting.* Courtland shall, as promptly as reasonably practicable, (i) take all steps reasonably necessary to call, give notice of, convene and hold a special (or annual and special) meeting of its shareholders (the "Courtland Meeting") for the purpose of adopting this Agreement and consummating the Merger (the "Courtland Shareholders' Approval"), (ii) distribute to its shareholders the Information Circular in accordance with applicable Law, which Information Circular shall contain the recommendation of the Courtland board of directors that its shareholders approve this Agreement, (iii) use its commercially reasonable efforts to solicit from its shareholders proxies in favor of the approval of this Agreement and to secure the Courtland Shareholders' Approval and (iv) cooperate and consult with TOK with respect to each of the foregoing matters. Notwithstanding any acceptance, approval, recommendation or entry into a Superior Proposal by the TOK board of directors, or any termination of this Agreement pursuant to Article X, this Agreement shall be submitted to the shareholders of Courtland at the Courtland Meeting for the purpose of adopting this Agreement, with such disclosures as shall be required by applicable Law.

8.11 *Commercially Reasonable Efforts.* Upon the terms and subject to the conditions set forth in this Agreement but subject to Article VI, each of the parties agrees to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated by this Agreement, including commercially reasonable efforts to accomplish the following: (i) the taking of all acts necessary to cause the conditions to the Closing to be satisfied (but in no event shall a party be required to waive any such condition) as promptly as practicable; (ii) the obtaining of all necessary actions or non-actions, waivers, consents, clearances and approvals from Governmental Authorities and the making of all necessary registrations and filings, and the taking of all steps as may be necessary to obtain an approval, clearance or waiver from, or to avoid an action or proceeding by, any Governmental Authority, in each case to the extent determined to be applicable to the Merger and the parties hereto, (iii) the obtaining of all necessary consents, approvals or waivers from third parties, (iv) taking all steps as may be necessary to obtain all such waiting period expirations or terminations, consents, clearances, waivers, licenses, registrations, permits, authorizations, orders and approvals.

ARTICLE IX

CONDITIONS TO CONSUMMATION OF THE MERGER

9.1 *Mutual Conditions.* The obligations of Courtland and TOK to complete the transactions contemplated herein are subject to fulfillment of the following conditions precedent on or before the Effective Date or such other time as is specified below:

Courtland Shareholder Approvals

- (a) special resolutions shall have been passed by the holders of Courtland Shares (“Courtland Shareholders”), on or before May 2, 2018, in a form and substance satisfactory to each of Courtland and TOK, acting reasonably, duly approving the Merger;
- (b) a special or ordinary resolution, as the case may be, shall have been passed by the Courtland Shareholders on or before May 2, 2018, in a form and substance satisfactory to each of Courtland and TOK, acting reasonably, duly approving the Consolidation, the Continuance and such other matters that may be put before Courtland Shareholders at the Courtland Meeting; and
- (c) resolutions shall have been passed by the sole stockholder of Merger Sub, on or before May 30, 2018, in a form and substance satisfactory to each of Courtland and TOK, acting reasonably, duly approving the Merger and such other matters as are required to be approved in order to effect the Merger;

TOK Stockholder Approvals

- (d) resolutions shall have been passed by the TOK Stockholders, voting together as a single class, on or before May 30, 2018, in a form and substance satisfactory to each of Courtland and TOK, acting reasonably, duly approving the Merger and such other matters as are required to be approved pursuant to the TOK Meeting as contemplated by the Merger;

No Prohibitions

- (e) there shall be no action taken under any applicable Law or applicable Law which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or Governmental Authority or similar agency, domestic or foreign, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Merger or any other transactions contemplated herein; or
 - (ii) results in a judgment or assessment of damages directly or indirectly relating to the transactions contemplated herein that has a Material Adverse Effect on TOK or Courtland; and

Consents

- (f) TOK and Courtland shall have obtained all consents, approvals and authorizations (including, without limitation, the conditional approval for the listing of the Courtland Shares on the CSE, competition approvals, all securities commission and other regulatory approvals) required or necessary in connection with the transactions contemplated herein on terms and conditions satisfactory to TOK and Courtland, each acting reasonably.

The foregoing conditions are for the mutual benefit of Courtland and TOK and may be waived, in whole or in part, by Courtland and TOK together, at any time. If any of the said conditions precedent shall not be complied with or waived as aforesaid on or before the date required for the performance thereof (provided such non-compliance did not arise from the acts or omissions of such party), Courtland or TOK may, in addition to the other remedies it may have at law or in equity, rescind and terminate this Agreement by written notice to the other party.

9.2 *Merger of Conditions.* The conditions set out in Sections 9.1, 9.3 and 9.6 shall be conclusively deemed to have been satisfied, waived or released upon the filing of Articles of Merger as contemplated by this Agreement.

9.3 *Conditions to the Obligations of the Courtland Parties.* The obligation of Courtland to complete the transactions contemplated herein is subject to fulfillment or waiver of the following conditions precedent on or before the Effective Date or such other time as is specified below:

Material Adverse Effects

(a) the representations and warranties made by TOK in Section 4.1 in this Agreement (which for purposes of this Section 9.3(a) shall be read as though none of them contained any “Material Adverse Effect” or other materiality qualification) shall be true as of the Effective Date as if made on and as of such date except:

- (i) to the extent such representations and warranties speak as of an earlier date;
- (ii) for any failures or breaches of representations and warranties which arise as a result of transactions contemplated or permitted by this Agreement; or
- (iii) for any failures or breaches of representations and warranties which individually or in the aggregate do not:
 - (A) have, or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on TOK; and
 - (B) materially impede the completion of the Merger or the transactions contemplated by this Agreement,

and TOK shall have provided to Courtland a certificate of two officers of TOK certifying as to such matters on the Effective Date;

(b) TOK shall have complied with its covenants herein, except to the extent the failure to comply with such covenants has not had, or would not reasonably be expected to have, individually or in the aggregate a Material Adverse Effect on TOK or materially impede the completion of the Merger and TOK shall have provided to Courtland the certificate of two senior officers of each of TOK and certifying as to such matters on the Effective Date;

(c) at the Effective Date, there shall be no continuing event, occurrence or change in state of facts which has had or would reasonably be expected to have, a Material Adverse Effect on TOK;

(d) there shall not have occurred any actual or threatened change (including a proposal by the Minister of Finance of Canada to amend the Income Tax Act or any announcement, governmental or regulatory initiative, condition, event or development involving a change or a prospective

change) that, directly or indirectly, has or, could reasonably be expected to have, a Material Adverse Effect on TOK, or materially impede the completion of the Merger;

TOK Share Capital

- (e) immediately prior to the Effective Time:
 - (i) the aggregate number of TOK Common Shares issued and outstanding shall not exceed the number described in Schedule A, unless Courtland consents thereto;
 - (ii) there are no other securities of TOK outstanding; and
 - (iii) no Person shall have any agreement or option or any right or privilege (whether by law, pre-emptive right, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any unissued TOK Common Shares;

Ownership of TOK Common Shares

- (f) there shall be no action taken under any existing law, regulation, rule or order, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or regulatory authority or similar agency, domestic or foreign, that imposes any material limitations on the ability of Courtland to effectively exercise full rights of ownership of the TOK Common Shares, including, without limitation, the right to vote any such shares, or the ability of Courtland to indirectly operate the business and assets of TOK;

Dissenting TOK Stockholders

- (g) not more than 10% of the TOK Stockholders will have filed a notice of dissent with respect to the Merger or other matters at the TOK Meeting, if applicable;

TOK Working Capital

- (h) TOK shall have sufficient working capital, that together with the working capital of Courtland, will be sufficient to enable Courtland to obtain a listing on the CSE.

The foregoing conditions precedent are for the benefit of Courtland and may be waived, in whole or in part, by Courtland in writing at any time. If any of the said conditions precedent shall not be complied with or waived by Courtland on or before the date required for the performance thereof (provided such non-compliance did not arise from the acts or omissions of Courtland), Courtland may, in addition to the other remedies it may have at law or equity, rescind and terminate this Agreement by written notice to TOK.

9.4 *Defect Notices.* TOK shall give prompt notice to Courtland of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to, result in the failure to satisfy the conditions described in Sections 9.3(a) or (b) before the Effective Date.

Courtland may not elect not to complete the transactions contemplated hereby (pursuant to the non-fulfilment of any condition precedent or any termination right arising therefrom) unless forthwith (and in any event prior to the filing of the Articles of Merger), Courtland has delivered a written notice ("Courtland's Defect Notice") to TOK specifying in the matters (the "TOK Defects") which the party

delivering such notice is asserting as the basis for the non fulfillment of the applicable condition precedent or termination right, as the case may be.

9.5 *Remedial Action.* If Courtland’s Defect Notice is given by Courtland:

(a) TOK may elect (within five business days of the receipt of Courtland’s Defect Notice) to remedy the defects (but only if they are capable of being cured) prior to the expiration of a period of 15 days from the date of Courtland’s Defect Notice (the later of these dates is the “TOK Expiry Date”); and

(b) TOK shall report, on an ongoing basis, to Courtland on the actual and estimated costs of its efforts to remediate the TOK Defects.

(c) In the event the TOK Defects are cured before the TOK Expiry Date, Courtland shall not be entitled to rely upon the TOK Defect in order to terminate this Agreement or otherwise avoid the completion of the transactions contemplated hereby.

9.6 *Conditions to the Obligations of TOK.* The obligations of TOK to complete the transactions contemplated herein are subject to the fulfillment or waiver of the following conditions precedent on or before the Effective Date or such other time as is specified below:

Material Adverse Effects

(a) the representations and warranties made by Courtland in Section 5.1 in this Agreement (which for purposes of this Section 9.6(a) shall be read as though none of them contained any “Material Adverse Effect” or other materiality qualification) shall be true as of the Effective Date as if made on and as of such date except:

- (i) to the extent such representations and warranties speak as of an earlier date;
- (ii) for any failures or breaches of representations and warranties which arise as a result of transactions contemplated or permitted by this Agreement; or
- (iii) for any failures or breaches of representations and warranties which individually or in the aggregate do not:
 - (A) have (or would not reasonably be expected to have), individually or in the aggregate, a Material Adverse Effect on Courtland; and
 - (B) materially impede the completion of the Merger or the transactions contemplated by this Agreement,

and Courtland shall have provided to TOK a certificate of two officers of Courtland certifying as to such matters on the Effective Date;

(b) Courtland shall have complied with its covenants herein, except to the extent the failure to comply with such covenants has not had, or would not reasonably be expected to have, individually or in the aggregate a Material Adverse Effect on Courtland or materially impede the completion of the Merger and Courtland shall have provided to TOK a certificate of two senior officers of Courtland certifying as to such matters on the Effective Date;

(c) at the Effective Date, there shall be no continuing event, occurrence or change in state of facts which has had (or would reasonably be expected to have), a Material Adverse Effect on Courtland;

(d) there shall not have occurred any actual or threatened change (including a proposal by the Minister of Finance of Canada to amend the Income Tax Act or any announcement, governmental or regulatory initiative, condition, event or development involving a change or a prospective change) that, directly or indirectly, has or, could reasonably be expected to have, a Material Adverse Effect on Courtland, or materially impede the completion of the Merger;

Dissenting Courtland Shareholders

(e) not more than 10% of the Courtland Shareholders will have filed a notice of dissent with respect to the Merger, if applicable;

Resignation of Directors, Officers

(f) the following members of the board of directors of Courtland shall have provided their written resignations effective on the Effective Date, together with releases (in a form satisfactory to Courtland acting reasonably) in favor of Courtland: Gene Maher and Kristian Norman. Rick Grass will remain as a Director;

(g) the following officers of Courtland shall have resigned effective on the Effective Date, together with releases (in a form satisfactory to TOK acting reasonably) in favor of Courtland: Rick Grass as Chief Executive Officer and Chief Financial Officer. Scott Reeves will remain as Secretary;

Courtland Share Capital

(h) immediately prior to the Effective Time:

(i) the aggregate number of Courtland Shares issued and outstanding shall not exceed the number described in Schedule B, other than Courtland Shares issued pursuant to the Courtland Debentures;

(ii) no Person shall have any agreement or option or any right or privilege (whether by law, pre-emptive right, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any unissued Courtland Shares other than in connection with the Courtland Options, the Courtland Debentures and the Courtland Warrants;

Status of Courtland Shares

(i) the Courtland Shares issuable pursuant to the Merger shall have been deposited with the Exchange Agent together with an irrevocable direction authorizing and directing the Exchange Agent to pay the Courtland Shares issuable pursuant to the Merger to the holders of the TOK Common Shares who are entitled to receive such securities in accordance with the Merger;

(j) the Courtland Shares issued pursuant to the Merger shall not be subject to any hold period, restricted period or seasoning period under the laws of Canada (except for control

persons and subject to other requirements of general application) that shall not have been satisfied on the Effective Date;

(k) Courtland shall have obtained conditional listing approval from the CSE for the Courtland Shares, subject only to fulfilling the usual requirements of the CSE;

Appointment of Directors

(l) Courtland shall have made arrangements to appoint Michael Caridi, Brian Main, Genarro (Rino) Adamo and Scott Reeves as directors of Courtland (effective on the Effective Date), or, if the appointment of such person is prohibited by any Governmental Authority, such other nominee of TOK as is permitted by a Governmental Authority (and is acceptable to Courtland acting reasonably).

The foregoing conditions precedent are for the benefit of TOK and may be waived, in whole or in part, by TOK on behalf of itself in writing at any time. If any of the said conditions precedent shall not be complied with or waived by TOK on or before the date required for the performance thereof (provided such non-compliance did not arise from the acts or omissions of TOK), TOK may, in addition to the other remedies they may have at law or equity, rescind and terminate this Agreement by written notice from TOK to Courtland.

9.7 *Defect Notices.* Courtland shall give prompt notice to TOK of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to, result in the failure to satisfy the conditions described in Sections 9.6(a) or (b) before the Effective Date.

TOK may not elect not to complete the transactions contemplated hereby (pursuant to the non-fulfilment of any condition precedent or any termination right arising therefrom) unless forthwith (and in any event prior to the filing of the Articles of Merger), TOK has delivered a written notice (“TOK’s Defect Notice”) to Courtland specifying in the matters (the “Courtland Defects”) which the party delivering such notice is asserting as the basis for the non fulfilment of the applicable condition precedent or termination right, as the case may be.

9.8 *Remedial Action.* If TOK’s Defect Notice is given by TOK:

(a) Courtland may elect (within five business days of the receipt of TOK’s Defect Notice) to remedy the Courtland Defects (but only if they are capable of being cured) prior to the expiration of a period of 15 days from the date of TOK’s Defect Notice (the later of these dates is the “Courtland Expiry Date”); and

(b) Courtland shall report, on an ongoing basis, to TOK on the actual and estimated costs of its efforts to remediate the Courtland Defects.

In the event the Courtland Defects are cured before the Courtland Expiry Date, TOK shall not be entitled to rely upon the Courtland Defect in order to terminate this Agreement or otherwise avoid the completion of the transactions contemplated hereby.

ARTICLE X

TERMINATION

10.1 *Termination by Courtland.* Notwithstanding any other rights contained herein, Courtland may terminate this Agreement upon notice to TOK:

(a) if there has been a breach by TOK of any of its representations, warranties, covenants or agreements set forth in this Agreement, or if any representation or warranty of TOK shall have become untrue, in either case which has (or is reasonably expected to have) a Material Adverse Effect on TOK (and for this purpose, TOK's representations and warranties shall be read as they do not contain any materiality qualification);

(b) if a circumstance giving rise to the obligation of TOK to pay the TOK Termination Fee shall have occurred;

(c) if a final and non-appealable order shall have been entered in any action or proceeding before any Governmental Authority that prevents or makes illegal the consummation of the transaction contemplated by this Agreement; or

(d) upon any other circumstances hereunder that give rise to a termination of this Agreement by Courtland, including those set forth in Sections 9.1 and 9.3 hereof (other than as a result of the breach of this Agreement by the terminating party).

10.2 *Termination by TOK.* Notwithstanding any other rights contained herein, TOK may terminate this Agreement upon notice to Courtland:

(a) if there has been a breach by Courtland of any of its representations, warranties, covenants or agreements set forth in this Agreement, or if any representation or warranty of Courtland shall have become untrue, in either case which has (or is reasonably expected to have) a Material Adverse Effect on Courtland (and for this purpose, Courtland's representations and warranties shall be read as they do not contain any materiality qualification);

(b) if a circumstance giving rise to the obligation of Courtland to pay the Courtland Termination Fee shall have occurred;

(c) if a final and non-appealable order shall have been entered in any action or proceeding before any governmental entity that prevents or makes illegal the consummation of the transaction contemplated by this Agreement; or

(d) upon any other circumstances hereunder that give rise to a termination of this Agreement by TOK, including those set forth in Sections 9.1 and 9.6 hereof (other than as a result of the breach of this Agreement by the terminating party).

10.3 *Effect of Termination.* Subject to Section 10.6, the exercise by any party of any right of termination hereunder shall be without prejudice to any other remedy available to such party. If this Agreement is validly terminated pursuant to any provision of this Agreement, the parties shall return all materials and copies of all materials delivered to TOK or Courtland, as the case may be, or their agents.

10.4 *Survival.* Except for the obligations set forth in Sections 6.1(j), 7.1 (l), 7.2 (if the Effective Date occurs), 7.3 (if the Effective Date occurs), 8.11, 10.3, 10.4, 10.5, 10.6, and 11.8 (which shall survive any termination of this Agreement and continue in full force and effect), no party shall have

any further obligations to any other party hereunder with respect to this Agreement following its termination. The covenants contained in this Section 10.4 shall survive any termination of this Agreement and continue in full force and effect.

10.5 *Termination Fees.* TOK agrees to pay Courtland in cash (on the date of the occurrence of any event below) the amount of \$50,000 (the “TOK Termination Fee”) if:

(a) the board of directors of TOK fails to positively recommend, or changes, withdraws or modifies (in a manner materially adverse to the likelihood of a favorable vote) its recommendation to TOK Stockholders to vote in favor of the Merger;

(b) the board of directors of TOK fails to reaffirm its approval or recommendation of the Merger upon request of Courtland, or upon an Acquisition Proposal being announced, proposed, offered or made, publicly to either the TOK Stockholders or TOK (such affirmation must be made within 5 business days of such request being made);

(c) TOK enters into an agreement with respect to a Superior Proposal (other than a confidentiality agreement pursuant to Section 8.4); or

(d) if: (i) a *bona fide* Acquisition Proposal (or *bona fide* intention to make one) is made or announced publicly, by any third party (other than Courtland or its affiliates and associates); (ii) such Acquisition Proposal has not been withdrawn or expired prior to the date of the TOK Meeting; (iii) the TOK Meeting is held and the Merger is not approved by the required majority of TOK Stockholders at such TOK Meeting; (iv) the Agreement is terminated pursuant to Section 10.1(d) or Section 10.2(d); and (v) TOK enters into an agreement that constitutes an Acquisition Proposal (of any kind) with the party making such Acquisition Proposal (of any kind) or an Acquisition Proposal is completed with such party, in either case within 12 months from the date of such termination.

Courtland agrees to pay TOK in cash (on the date of the occurrence of any event below) the amount of \$100,000 (the “Courtland Termination Fee”) if, provided that all of Courtland’s conditions precedent to the completion of the Merger have been satisfied or waived, Courtland elects not to complete the Merger and is not entitled to rely on any of the exceptions to its obligation to complete the Merger set forth in this Agreement.

10.6 *Effect of Payment of Termination Fees.* Each party acknowledges that:

(a) the amount set out in Section 10.5 represents liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the party entitled to such damages shall suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and are not penalties;

(b) each of TOK and Courtland irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive;

(c) that the compensation or damages to be received pursuant to Section 10.5 is the sole remedy in compensation or damages of the party receiving such payment; provided however that nothing contained in such Section, including the payment of an amount under such Section shall relieve or have the effect of relieving any party in any way from liability for damages incurred or suffered by a party as a result of a breach of this Agreement by a party acting in bad faith with a clear intent and design to prevent the conditions precedent to this Agreement’s completion from being satisfied; and

(d) nothing herein shall preclude a party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.

ARTICLE XI

MISCELLANEOUS

11.1 *Expenses.* Except as contemplated herein, each party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

11.2 *Notices.* All notices or communications hereunder shall be in writing (including facsimile or similar writing) addressed as follows:

To Courtland or Merger Sub:

Courtland Capital Inc.
79 Baysprings Terrace SW
Airdrie, AB T4B 4A7
Attention: Rick Grass
Email: rickrgrass@gmail.com

To TOK:

Tree of Knowledge Inc.
1119 West 1st Avenue
Spokane, WA 99223
Attention: Michael Caridi
Email: Michael@evrcbd.com

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party to any other party shall be in writing and may be given by delivering same or sending same by facsimile transmission or by hand delivery addressed to the party to whom the notice is to be given at its address for service herein. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a business day and, if not, the next succeeding business day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless actually received after 6:00 p.m. (Calgary time) at the point of delivery in which case it shall be deemed to have been given and received on the next business day. If this Agreement requires specification of the time (not just the date) of delivery the time of delivery shall be deemed to be: (a) if delivered by fax, the time included on the fax header; and (b) if delivered in the time that delivery actually occurs.

11.3 *Severability.*

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

11.4 *Assignment.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, and assigns; *provided, however,* that, except for Merger Sub, the rights of which may be assigned to another wholly-owned Subsidiary of Courtland, neither this Agreement nor any rights hereunder shall be assignable or otherwise subject to hypothecation and any assignment in violation hereof shall be null and void.

11.5 *Interpretation.* The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All references to “dollars” or “\$” shall mean United States dollars. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the drafting party.

11.6 *Counterparts.* This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to each party.

11.7 *Entire Agreement.* This Agreement, together with all documents contemplated herein or required hereby, represents the entire agreement of the parties with respect to the subject matter hereof and shall supersede any and all previous contracts, arrangements or understandings between the parties with respect to the subject matter hereof.

11.8 *Governing Law.* This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of Nevada, without reference to rules relating to conflicts of law.

11.9 *Submission to Jurisdiction.* Each party to this Agreement submits to the exclusive jurisdiction of any state or federal court sitting in the State of Nevada in any dispute or action arising out of or relating to this Agreement and agrees that all claims in respect of such dispute or action may be heard and determined in any such court. Each party also agrees not to bring any dispute or action arising out of or relating to this Agreement in any other court. Each party agrees that a final judgment in any dispute or action so brought will be conclusive and may be enforced by dispute or action on the judgment or in any other manner provided at law (common, statutory or other) or in equity. Each party waives any defense of inconvenient forum to the maintenance of any dispute or action so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

11.10 *Waiver of Jury Trial.* Each of TOK and the Courtland Parties acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the Merger contemplated by this Agreement. Each of TOK and Courtland Parties certifies and acknowledges that (i) no representative of any other party to this Agreement has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action, (ii) such party has considered the implications of this waiver, (iii) such party makes this waiver voluntarily, and (iv) such

party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications of this Section 11.10.

11.11 *Attorneys' Fees.* If any action at law or equity, including an action for declaratory relief, is brought to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and expenses from the other party, which fees and expenses shall be in addition to any other relief which may be awarded.

11.12 *No Third Party Beneficiaries.* No Person other than the parties is an intended beneficiary of this Agreement or any portion hereof.

11.13 *Amendments and Supplements.* At any time before or after approval of the matters presented in connection with the Merger by the stockholders of TOK and prior to the Effective Time, this Agreement may be amended or supplemented in writing by Courtland and TOK with respect to any of the terms contained in this Agreement, except as otherwise provided by Law; *provided, however*, that following approval of this Agreement by the stockholders of TOK, there shall be no amendment or change to the provisions hereof unless permitted by the Merger Act without further approval by the stockholders of TOK.

11.14 *Extensions, Waivers, Etc.* At any time prior to the Effective Time, either party may extend the time for the performance of any of the obligations or acts of the other party, and may:

(a) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto; or

(b) subject to the proviso of Section 10.12, waive compliance with any of the agreements or conditions of the other party contained herein.

Notwithstanding the foregoing, no failure or delay by Courtland or TOK in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE XII

DEFINITIONS

12.1 *Defined Terms.* The following terms shall have the following meanings for the purposes of this Agreement:

(a) "business day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Calgary for the transaction of banking business.

(b) "Code" means Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

(c) "Courtland Common Shares" means common shares in the capital of Parent, no par value, as constituted on the Agreement Date.

(d) "Courtland Options" means options to purchase Courtland Common Shares to be issued concurrently with the Closing in accordance with stock option plan of Courtland.

(e) “Courtland Warrants” means the share purchase warrants issued pursuant to the Courtland Debentures, whereby each whole warrant entitles the holder to purchase one Courtland Common Share at a price of Cdn\$0.15 for a period of 24 months from the date of issuance.

(f) “Encumbrance” includes, without limitation, any mortgage, pledge, assignment, charge, lien, security interest, claim, trust, royalty or carried, participation, net profits or other third party interest and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing.

(g) “Governmental Authority” includes (i) any federal, provincial, state, municipal, local or other government or political subdivision, government department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

(h) “Law” means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any Governmental Authority having the force of law or any listing rule of any applicable stock exchange.

(i) “Liabilities” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

(j) “Material Adverse Effect” when used in this Agreement with respect to any party, means any event, change or effect that is or would reasonably be expected to be Materially Adverse (as defined herein) to the financial condition, operations, assets, liabilities, or business of such party and its subsidiaries, taken as a whole, provided that, a Material Adverse Effect shall not include any event, change or effect principally caused by an event, change or effect:

(i) accurately and completely disclosed in writing to the other party on or before the date of this Agreement;

(ii) resulting from an action after the date of this Agreement to which the other party has expressly consented to in writing; or

(iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere.

(k) “Materially Adverse” means giving rise to an aggregate remedial cost (including without limitation, consequential loss and loss of profit) in excess of:

(i) in the case of Courtland, \$50,000; and

(ii) in the case of TOK, \$100,000.

(l) “Person” means an individual, a corporation, a limited liability company, a partnership, an association, a trust, an agency or instrumentality, an unincorporated body of persons or association or any other entity or organization, including any Governmental Authority.

(m) “Subsidiary” means, with respect to any Person, another Person in which such first Person owns, directly or indirectly, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, fifty percent (50%) or more of the equity interests of such Person).

(n) “Taxes” means all federal, state, local and foreign taxes, and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax, or penalties applicable thereto and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

(o) “TOK Book-Entry Shares” means uncertificated book-entry TOK Common Shares outstanding immediately prior to the Effective Time.

(p) “TOK Common Shares” means shares of common stock of TOK, \$0.001 par value, as constituted on the Agreement Date.

(q) “TOK Financial Statements” means the audited financial statements of TOK for the year ended December 31, 2016 and 2015, and the unaudited financial statements of TOK for the nine month period ended September 30, 2017.

(r) “TOK Physical Shares” means TOK Common Shares represented by definitive physical share certificates immediately prior to the Effective Time.

12.2 *Additional Defined Terms.*

<u>Term</u>	<u>Section</u>
Agreement.....	Preamble
Agreement Date	Preamble
Articles of Merger.....	1.2
Continuing Employee	7.5(a)
Courtland	Preamble
Courtland Expiry Date.....	9.8(a)
Courtland Information	7.1(h)
Courtland Meeting	7.10
Courtland Parties.....	Preamble
Courtland Shareholders.....	9.1(a)
Courtland Shareholders’ Approvals.....	7.10
CSE	8.1(b)
Dissenting Shares.....	3.4(a)
Effective Date	1.2
Effective Time	1.2
Environmental Laws	Schedule A(w)
Exchange Agent.....	3.2(a)
Exchange Fund.....	3.2(a)
Exchange Instructions.....	3.2(b)
Exchange Ratio	3.1(b)
Information Circular	6.1(i)

<u>Term</u>	<u>Section</u>
Merger.....	Preamble
Merger Act.....	1.1
Merger Sub.....	Preamble
NRS.....	1.1
Securities Act.....	3.1(d)
Surviving Entity.....	1.1
TOK.....	Preamble
TOK Expiry Date.....	9.5(a)
TOK Information.....	6.1(i)
TOK Meeting.....	8.6
TOK Stockholders.....	6.4(c)(i)
TOK Stockholders' Approvals.....	7.6

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

COURTLAND CAPITAL INC.

By: (signed) "Rick Grass"
Name: Rick Grass
Title: President & CEO

COURTLAND MERGER SUB INC.

By: (signed) "Michael Caridi"
Name: Michael Caridi
Title: President

TREE OF KNOWLEDGE INC.

By: (signed) "Brian Main"
Name: Brian Main
Title: President & CEO

SCHEDULE A

Except as disclosed in writing to Courtland on or prior to the date hereof, TOK represents and warrants to Courtland with respect to itself that:

Corporate Matters

- (a) TOK is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation, has the capacity, power and authority to own or lease its property and assets and to carry on its business as now conducted by it;
- (b) TOK is duly qualified to carry on business in each jurisdiction in which the nature of its business or the property or assets owned or leased by it makes such qualification necessary, except where the failure to be so qualified shall not have a Material Adverse Effect on TOK;
- (c) the authorized capital of TOK consists of 100,000,000 shares of common stock with a par value of \$0.0001 per share, and 5,000,000 shares of preferred stock, par value \$0.0001 per share, of which as at the Effective Date; only 32,656,491 TOK Common Shares shall be issued and outstanding, all of which shall be issued as fully paid and non-assessable;
- (d) no Person has any agreement, option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of TOK;
- (e) the minute books of TOK are true and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof;

Execution and Performance of the Agreement

- (f) TOK has all requisite corporate power and authority to enter into this Agreement and all documents to be delivered pursuant hereto and thereto and, subject to the terms hereof, to perform its obligations hereunder and thereunder;
- (g) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto, the performance of the terms hereof and thereof and the consummation of the transactions contemplated herein and therein do not and shall not:
 - (i) result in the breach of or violate any term or provision of the articles, by-laws or governing documents of TOK;
 - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, license, permit or authority to which TOK is a party or by which it or any of its Subsidiaries are bound or to which any of its or its Subsidiary's property is subject;
 - (iii) result in the creation of any Encumbrance upon any of its assets or the assets of its Subsidiaries;

- (iv) give to any Person any material interest or right, including the right of purchase, termination, cancellation or acceleration under any agreement, instrument, license, permit or authority to which TOK or any of its Subsidiaries is a party or by which any of them is bound or to which any of their property is subject; or
- (v) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to either TOK or the TOK Common Shares or any of TOK's Subsidiaries,

except to the extent such result or occurrence does not have a Material Adverse Effect on TOK;

- (h) this Agreement has been duly authorized, executed and delivered by TOK and all documents to be executed and delivered by TOK pursuant thereto to Courtland shall be duly executed and delivered and this Agreement constitutes legal, valid and binding obligations of TOK enforceable against it in accordance with its terms;

Board Recommendation

- (i) the board of directors of TOK, upon consultation with its advisors, has determined that the Merger is fair to the holders of the TOK Common Shares, that the Merger is in the best interests of TOK and TOK Stockholders, has unanimously approved the Merger and the entering into of this Agreement and shall unanimously recommend TOK Stockholders vote in favor of the Merger;

Compliance with Law

- (j) TOK has complied with all laws or regulations applicable to the operation of its business, including all applicable Laws, and TOK has all licenses, permits, orders or approvals of, and has made all required registrations with any government or regulatory body that are material to the conduct of its business, except where failure to do so would not have a Material Adverse Effect on TOK and none of such licenses, permits, orders or approvals contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on TOK;
- (k) to the knowledge of TOK, after due inquiry there are no actions, suits, other legal, administrative or arbitration proceedings or government investigations commenced, contemplated, at law or in equity or before or by any court or other Governmental Authority and which involve or affect TOK, including, without limitation, the title to, or ownership of, TOK's assets, which could have a Material Adverse Effect, on TOK and, to the knowledge of TOK, after the due inquiry, there are no grounds upon which any such actions, suits or proceedings may be commenced with a reasonable likelihood of success;

Contingent Obligations

- (l) TOK is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, firm or corporation;
- (m) TOK does not have any agreements of any nature to acquire any other corporate entity, or to acquire or lease any other business operations out of the ordinary course;

Financial Statements

- (n) the TOK Financial Statements have been prepared in accordance with generally accepted accounting principles applicable in Canada applied on a basis consistent with that of prior periods (except as stated therein) and present fairly the financial position of TOK as of the dates provided therein and the results of its operations and the changes in financial position for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of TOK as at the dates thereof;

No Material Adverse Effect

- (o) since September 30, 2017, there has not been any Material Adverse Effect on TOK;
- (p) except as has been expressly disclosed in the TOK Financial Statements, TOK has not incurred any liabilities of any nature, whether accrued, contingent or otherwise that have constituted or would be reasonably likely to constitute a Material Adverse Effect on TOK;

Operations

- (q) subject to the rights, covenants, conditions and stipulations in the title documents and any agreement pertaining to the assets of TOK, TOK may enter into and upon, hold and enjoy the property and assets of TOK for TOK's own use and benefit without any lawful interruption of or by any other Person whomsoever claiming by, through or under TOK;
- (r) all ad valorem, property, production, severance and similar taxes and assessments based on or measured by the ownership of property or the production of petroleum substances or the receipts of proceeds therefrom payable by TOK in respect of any properties or assets up to the date hereof and to the Effective Time have been or shall be properly and fully paid and discharged;

Arrangements with Insiders

- (s) there are no contracts or arrangements to which TOK is a party with any director, officer, employee or consultant of TOK, or any associate or affiliate of any such director, officer, employee or consultant, nor is there any indebtedness owing by TOK to any such parties or by any such parties to TOK;
- (t) TOK does not have any employee benefit plans and has made no promises with respect to increased benefits under such plans. The financial obligations of TOK under such plans are as disclosed to Courtland in writing;

Taxation

- (u) TOK has duly and timely filed, in proper form, returns in respect of taxes under the income tax legislation of the jurisdictions in which it carries on business or to the jurisdiction of which it is otherwise subject for all prior periods in respect of which such filings have heretofore been required, and all taxes shown thereon and all taxes owing with respect to periods ending on or after December 31, 2016 have been paid or accrued on the books of TOK and all payments by TOK to any non-resident of the United States have been made in accordance with all applicable legislation in respect of withholding tax; and TOK has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has

paid the same to the proper tax or other authority within the time required under any applicable tax legislation;

- (v) there are no outstanding agreements or waivers material to TOK extending the statutory period of limitations applicable to any federal, provincial or other income tax return for any period and there are no assessments or reassessments respecting TOK that are material to TOK of which TOK has notice pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority;

Environmental Matters

- (w) except to the extent that any violation or other matter referred to in this paragraph does not have a Material Adverse Effect on TOK:
 - (i) TOK is not in violation of any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "Environmental Laws"); and
 - (ii) TOK has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

Disclosure

- (x) all material data and information provided by TOK to Courtland and its agents and representatives, is true and correct in all material respects, as at the respective dates thereof and does not omit any data or information necessary to make the data and information provided, taken as a whole, not misleading in any material respect;

Contracts, Permits and Other Matters

- (y) all agreements, permits, licenses, approvals, certificates, rights and authorizations, material to the conduct of TOK's business have been disclosed to Courtland on or before the date hereof and all such agreements, permits, licenses, approvals, certificates, rights and authorizations are valid and subsisting, in accordance with their respective terms and TOK is not in material default under any of such agreements, permits, licenses, approvals, certificates, rights or authorizations;

Insurance

- (z) policies of insurance in force as of the date hereof naming TOK as an insured adequately cover all risks reasonably and prudently foreseeable in the operation and conduct of TOK's business as is customary in respect of the businesses carried on by TOK;

Employment

- (aa) TOK is not nor shall not become a party to any employment agreement or to any written or oral policy, agreement, obligation or understanding (and for greater certainty, to any amendment to any of the foregoing) which contains any specific agreement as to notice of termination or severance pay in lieu thereof or which cannot be terminated without cause upon giving reasonable notice as may be implied by law, or which creates rights in respect of loss or termination of office

or employment in the event the Merger is successful, without the prior written consent of Courtland;

- (bb) TOK does not have any defined benefit plans or any other employee benefit plans and has not made any promises with respect to increased benefits under such plans and all contributions (including premiums) required by law or contract to have been made or accrued, under or with respect to such plans, have been paid or accrued, as the case may be;

Proxy Solicitation Materials

- (cc) the proxy solicitation materials, when mailed to TOK Stockholders, shall contain all information which is required to be included therein with respect to TOK in accordance with all applicable Laws, and shall in all respects comply with the requirements of all applicable Laws of the provinces of Canada and the federal laws of the United States;

Litigation

- (dd) there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting TOK, at law or in equity, before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic, or foreign, of any kind, nor to the best of its knowledge (after due inquiry) are there any existing facts or conditions which may reasonably be expected to be a proper basis for any actions, suits, proceedings or investigations, which in any case would prevent or hinder the consummation of the transactions contemplated hereby or which can reasonably be expected to Materially Adversely affect the business, financial condition, operations, prospects, properties, assets or affairs of TOK;

No Undisclosed Liabilities

- (ee) except for liabilities and obligations: (i) incurred in the ordinary course of business and below the amount described in Section 8.2(i); (ii) disclosure in the financial statements of TOK; (iii) pursuant to the terms of this Agreement; or (iv) TOK has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by generally accepted accounting principles to be reflected on a balance sheet of TOK). All accounts payable and accrued liabilities have been disclosed in writing to Courtland and will be paid prior to the Effective Date and/or assumed by Courtland, in Courtland's sole discretion.

SCHEDULE B

Except as disclosed in writing to TOK on or prior to the date hereof, Courtland represents and warrants to TOK with respect to itself that:

Corporate Matters

- (a) Courtland is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation, has the capacity, power and authority to own or lease its property and assets and to carry on its business as now conducted by it;
- (b) Courtland is duly qualified to carry on business in each jurisdiction in which the nature of its business or the property or assets owned or leased by it makes such qualification necessary, except where the failure to be so qualified shall not have a Material Adverse Effect on Courtland;
- (c) Other than Merger Sub, Courtland does not have any Subsidiaries;
- (d) the authorized capital of Courtland consists of an unlimited number of Class A common shares without par value, of which as at the date of this Agreement, 117,315,775 Courtland Shares are issued and outstanding, all of which are issued as fully paid and non-assessable, and no preferred shares are outstanding;
- (e) no Person has any agreement, option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of Courtland other than pursuant to the Courtland Debentures and the Courtland Warrants;
- (f) the minute books of Courtland are true and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof;

Execution and Performance of the Agreement

- (g) Courtland has all requisite corporate power and authority to enter into this Agreement and all documents to be delivered pursuant hereto and thereto and, subject to the terms hereof, to perform its obligations hereunder and thereunder;
- (h) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto, the performance of the terms hereof and thereof and the consummation of the transactions contemplated herein and therein do not and shall not:
 - (i) result in the breach of or violate any term or provision of the articles, by-laws or governing documents of Courtland;
 - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, license, permit or authority to which Courtland is a party or by which it is bound or to which any of Courtland's assets are subject;
 - (iii) result in the creation of any Encumbrance upon any of Courtland's assets;

(iv) give to any Person any material interest or right, including the right of purchase, termination, cancellation or acceleration under any agreement, instrument, license, permit or authority to which Courtland is a party or by which either is bound or to which any of its property is subject; or

(v) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to either Courtland or the Courtland Shares,

except to the extent such result or occurrence does not have a Material Adverse Effect on Courtland;

(i) this Agreement has been, duly authorized, executed and delivered by Courtland and all documents to be executed and delivered by Courtland pursuant thereto to TOK shall be duly executed and delivered and this Agreement constitutes legal, valid and binding obligations of Courtland enforceable against it in accordance with its terms;

Courtland Shares

(j) Courtland Shares to be issued pursuant to the Merger shall, upon issuance, be duly and validly issued as fully paid and non-assessable shares of Courtland;

Board Recommendation

(k) the board of directors of Courtland unanimously approved the Merger and the entering into of this Agreement;

Compliance with Law

(l) Courtland has complied with all laws or regulations applicable to the operation of its business, including all applicable Laws, and Courtland has all licenses, permits, orders or approvals of, and has made all required registrations with any government or regulatory body that are material to the conduct of its business, except where failure to do so would not have a Material Adverse Effect on Courtland and none of such licenses, permits, orders or approvals contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on Courtland, its business or Courtland's assets;

(m) Courtland is a "reporting issuer" or has equivalent status in the provinces of Alberta and British Columbia and Courtland has not been notified of any default currently outstanding or alleged default by Courtland of any requirement of securities and corporate laws, regulations, orders, notices and policies;

(n) other than orders against a predecessor or which are no longer in effect, no securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of Courtland and Courtland is not in default of any requirement of applicable Laws which could have a Material Adverse Effect on Courtland;

(o) to the knowledge of Courtland, after due inquiry, there are no actions, suits, other legal, administrative or arbitration proceedings or government investigations commenced, contemplated, at law or in equity or before or by any court or other Governmental Authority and which involve or affect Courtland, its business or Courtland's assets, including, without limitation, the title to, or ownership of, Courtland's assets, which could have a Material Adverse Effect, on Courtland, its business or Courtland's assets and, to the knowledge of Courtland, after

the due inquiry, there are no grounds upon which any such actions, suits or proceedings may be commenced with a reasonable likelihood of success;

Contingent Obligations

- (p) Courtland is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, firm or corporation;
- (q) Courtland does not have any agreements to acquire or lease any other business operations out of the ordinary course;

Financial Statements

- (r) Courtland Financial Statements have been prepared in accordance with generally accepted accounting principles applicable in Canada applied on a basis consistent with that of prior periods (except as stated therein) and present fairly the financial position of Courtland as of the dates provided therein and the results of its operations and the changes in financial position for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of Courtland as at the dates thereof;

No Material Adverse Effect

- (s) since December 31, 2017, there has not been any Material Adverse Effect on Courtland;
- (t) except as has been expressly disclosed in the unaudited interim financial statements of Courtland as at December 31, 2017, Courtland has not incurred any liabilities of any nature, whether accrued, contingent or otherwise that have constituted or would be reasonably likely to constitute a Material Adverse Effect on Courtland;

Operations

- (u) Courtland is not aware of any defects, failures or impairments in the title of Courtland to Courtland's assets, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect on Courtland;
- (v) subject to the rights, covenants, conditions and stipulations in the title documents and any agreement pertaining to Courtland's assets, Courtland may enter into and upon, hold and enjoy its assets for Courtland's own use and benefit without any lawful interruption of or by any other Person whomsoever claiming by, through or under Courtland;
- (w) all ad valorem, property, production, severance and similar taxes and assessments based on or measured by the ownership of property or the production of petroleum substances or the receipts of proceeds therefrom payable by Courtland up to the date hereof and to the Effective Time have been or shall be properly and fully paid and discharged;

Arrangements with Insiders

- (x) there are no contracts or arrangements to which Courtland is a party with any director, officer, employee or consultant of Courtland, or any associate or affiliate of any such director, officer, employee or consultant, nor is there any indebtedness owing by Courtland to any such parties or by any such parties to Courtland;

- (y) Courtland does not have any employee benefit plans and has made no promises with respect to increased benefits under such plans;

Taxation

- (z) Courtland has duly and timely filed prior to the date hereof, in proper form, all returns and other documents required to be filed by it in respect of Taxes for all prior periods in respect of which such filings have heretofore been required and all Taxes shown thereon and all Taxes owing with respect to periods ending on after March 31, 2016, have been paid or accrued on the books of Courtland and all payments by Courtland to any non-resident of Canada have been made in accordance with all applicable legislation in respect of withholding tax; and Courtland has made adequate and timely installments of all Taxes, and Courtland has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all Taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper Governmental Authority within the time required under any applicable Tax legislation;
- (aa) there are no outstanding agreements, waivers or other arrangements material to Courtland extending the statutory period of limitations applicable to any Tax return or other document in relation to Tax, for any period and there are no assessments or reassessments respecting Courtland that are material to Courtland of which Courtland has notice pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority and there are no actions, suits, proceedings, investigations, enquiries or claims now pending or made or to the best of the knowledge of Courtland, threatened against Courtland in respect of any Taxes;

Environmental Matters

- (bb) except to the extent that any violation or other matter referred to in this paragraph does not have a Material Adverse Effect on Courtland:
 - (i) Courtland is not in violation of any Environmental Laws;
 - (ii) Courtland has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

Information Circular

- (cc) the Information Circular, when mailed to Courtland Shareholders, shall contain all information which is required to be included therein with respect to Courtland in accordance with all applicable Laws, and shall in all respects comply with the requirements of all applicable Laws of the provinces of Canada and the federal laws of the United States;

Disclosure

- (dd) all material data and information provided by Courtland to TOK and its agents and representatives is true and correct in all material respects, as at the respective dates thereof and does not omit any data or information necessary to make the data and information provided, taken as a whole, not misleading in any material respect;
- (ee) the information and statements set forth in Courtland Public Documents were true, correct and complete in all material respects and did not contain any material misrepresentations, as of their

dates, no material change has occurred in relation to Courtland which is not disclosed in such public record;

- (ff) the information, data and other material (financial or otherwise) in respect of Courtland to be included in the Information Circular shall be complete and correct in all material respects at the date thereof and shall not contain any misrepresentations or any untrue statement of a material fact in respect of Courtland or its business, and shall not omit to state a material fact necessary to make such information not misleading in light of the circumstances under which it is presented;

Contracts, Permits and Other Matters

- (gg) all agreements, permits, licenses, approvals, certificates, rights and authorizations, material to the conduct of Courtland's business have been disclosed to TOK on or before the date hereof and all such agreements, permits, licenses, approvals, certificates, rights and authorizations are valid and subsisting, in accordance with their respective terms and Courtland is not in material default under any of such agreements, permits, licenses, approvals, certificates, rights or authorizations;

Insurance

- (hh) policies of insurance in force as of the date hereof naming Courtland as an insured adequately cover all risks reasonably and prudently foreseeable in the operation and conduct of Courtland's business as be customary in respect of the businesses carried on by Courtland.

Litigation

- (ii) there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting Courtland, at law or in equity, before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic, or foreign, of any kind, nor to the best of its knowledge (after due inquiry) are there any existing facts or conditions which may reasonably be expected to be a proper basis for any actions, suits, proceedings or investigations, which in any case would prevent or hinder the consummation of the transactions contemplated hereby or which can reasonably be expected to materially adversely affect the business, financial condition, operations, prospects, properties, assets or affairs of Courtland;

No Undisclosed Liabilities

- (jj) except for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice; (ii) disclosure in the financial statements of Courtland; (iii) pursuant to the terms of this Agreement; or (iv) as disclosed in writing to TOK, Courtland has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by generally accepted accounting principles to be reflected on a balance sheet of Courtland). All accounts payable and accrued liabilities have been disclosed in writing to Courtland and will be paid and/or assumed by Courtland.

APPENDIX B
TREE OF KNOWLEDGE INTERNATIONAL CORP.
ANNUAL & INTERIM FINANCIAL STATEMENTS

1. Courtland Unaudited Interim Financial Statements for the nine months ended December 31, 2017, consisting of Statements of Financial Position and Statements of Comprehensive Loss.
2. Courtland Audited Financial Statements as at and for the fiscal years ended March 31, 2017, 2016 and 2015, consisting of Statements of Financial Position, Statements of Comprehensive Loss, Statements of Changes in Equity and Statements of Cash Flows.

INDEPENDENT AUDITOR'S INTERIM REVIEW REPORT

To the Shareholders of Courtland Capital Inc.:

In accordance with our engagement letter dated June 4, 2018, we have performed an interim review of the statement of financial position as at December 31, 2017 and the interim statement of loss and comprehensive loss for the three-month and nine-months periods ended December 31, 2017 and 2016, and the statements of changes in equity and cash flows for the three and nine-months period then ended. These financial statements are the responsibility of Courtland Capital Inc. management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with the International Financial Reporting Standards.

We have previously audited, in accordance with Canadian generally accepted auditing standards, the statement of financial position of Courtland Capital Inc. as at March 31, 2017, and the related statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended (not presented herein). In our report dated July 28, 2017, we expressed an unmodified audit opinion on those financial statements. In our opinion, the information set forth in the accompanying statement of financial position as at March 31, 2017, is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

This report is solely for the use of the Audit Committee of Courtland Capital Inc. to assist it in discharging its regulatory obligation to review these financial statements, and should not be used for any other purpose.

Calvista LLP
Chartered Professional Accountants

Calgary, Alberta, Canada
June 22, 2018

Courtland Capital Inc.
Condensed Interim Financial Statements (Revised)
Unaudited – Prepared by Management
December 31, 2017

Auditor Review of Interim Financial Statements

These condensed interim financial statements have been revised to ensure proper presentation and disclosure in accordance with International Financial Reporting Standards (IFRS) and to remove the notice of no review by the Auditor, as the statements have now been reviewed. The revisions made to the condensed interim financial statements as originally filed are as follows:

- i. Comparative period balances on the condensed interim statements of financial position have been amended to properly reflect the balances as audited for the period ended March 31, 2017.
- ii. Current period balances on the condensed interim statements of financial position have been amended to properly reflect the Company's presentation currency. Balances are now stated in United States Dollars.
- iii. Comparative period balances on the condensed interim statements of comprehensive loss have been amended to properly reflect the balances as filed for the three-month period ended December 31, 2016.
- iv. Current period and comparative period balances presenting the nine-month periods ended December 31, 2017 and 2016 have been added to the condensed interim statements of comprehensive loss.
- v. Current period and comparative balances on the condensed interim statements of comprehensive loss have been amended to properly reflect the Company's presentation currency. Balances are now stated in United States Dollars.
- vi. A condensed interim statement of changes in shareholders' equity has been added for the years ended March 31, 2017 and 2016 and for the nine-month periods ended December 31, 2017 and 2016.
- vii. The condensed interim statement of cash flows has been amended to present the changes cumulatively for the nine-month periods ended December 31, 2017 and 2016.
- viii. Current period and comparative balances on the condensed interim statement cash flows has been amended to properly reflect the Company's presentation currency. Balances are now stated in United States Dollars.
- ix. The notes to the condensed interim financial statements have been amended to present balances in the Company's presentation currency. The balances are now stated in United States Dollars, unless otherwise stated.
- x. Condensed interim financial statement Note 5 has been amended. Changes include a revised heading name from "Loan and deposit receivables" to "Contingent Asset". The note now outlines the nature and collectability of the loan receivable and details of the corresponding contingent asset.
- xi. Condensed interim financial statement Note 9 has been amended. The note now includes subsequent event disclosures up to and including the date of this report.

COURTLAND CAPITAL INC.
Condensed Interim Statements of Financial Position
(Stated in US Dollars)
(Unaudited)

	December 31, 2017	March 31, 2017
ASSETS		
Current assets		
Cash	8,293	56,418
Total assets	8,293	56,418
LIABILITIES		
Current liabilities		
Accounts payable	76,467	75,773
Total liabilities	76,467	75,773
SHAREHOLDERS' EQUITY		
Share capital	5,417,337	5,417,337
Contributed surplus	668,703	668,703
Accumulated other comprehensive loss	(186,285)	(186,285)
Deficit	(5,967,929)	(5,919,110)
Total shareholders' equity	(68,174)	(19,355)
Total liabilities and shareholders' equity	8,293	56,418

Going concern (Note 2)

Subsequent event (Note 9)

Approved on Behalf of the Board of Directors:

"signed"

 Rick Grass

"signed"

 Gene Maher

The accompanying notes are an integral part of these condensed interim financial statements.

COURTLAND CAPITAL INC.
Condensed Interim Statements of Comprehensive Loss
(Stated in US Dollars)
(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Revenue	53	125	94	9,880
Expenses				
General	2	15	2	2,883
Outside services (Note 8)	7,433	11,232	21,975	34,367
Public Company costs	335	1,430	3,262	4,184
Legal and accounting	5,405	2,142	23,674	42,131
Total expenses	13,175	14,819	48,913	83,565
Net loss and comprehensive loss for period	(13,122)	(14,694)	(48,819)	(73,685)
Net loss per share	(0.0001)	(0.0001)	(0.0004)	(0.0006)
Common shares	117,315,775	117,315,775	117,315,775	117,315,775

The accompanying notes are an integral part of these condensed interim financial statements.

COURTLAND CAPITAL INC.**Condensed Interim Statement of Changes in Shareholders' Equity***(Stated in US Dollars)**(Unaudited)*

	Share Capital (\$)	Contributed Surplus (\$)	Accumulated Other Comprehensive Loss (\$)	Deficit (\$)	Total (\$)
Balance, March 31, 2016	5,417,337	668,703	(185,728)	(5,828,852)	71,460
Net loss	-	-	-	(73,685)	(73,685)
Balance, December 31, 2016	5,417,337	668,703	(185,728)	(5,902,537)	(2,225)
Balance, March 31, 2017	5,417,337	668,703	(186,285)	(5,919,110)	(19,355)
Net loss	-	-	-	(48,819)	(48,819)
Balance, December 31, 2017	5,417,337	668,703	(186,285)	(5,967,929)	(68,174)

The accompanying notes are an integral part of these condensed interim financial statements.

COURTLAND CAPITAL INC.
Condensed Interim Statement of Cash Flows

(Stated in US Dollars)
(Unaudited)

	For nine months ended December 31,	
	2017	2016
Cash used in:		
Operating activities		
Net loss for the period	(48,819)	(73,685)
Change in non-cash working capital:		
Accounts payable and accrued liabilities	694	(2,216)
Cash flows used in operating activities	(48,125)	(75,901)
Investing activities		
Other long term assets	-	(12,242)
Cash flows used in investing activities	-	(12,242)
(Decrease) increase in cash	(48,125)	(88,143)
Cash, beginning of period	56,418	142,095
Cash, end of period	8,293	53,952

The accompanying notes are an integral part of these condensed interim financial statements.

COURTLAND CAPITAL INC.

Notes to the Condensed Interim Financial Statements

(Stated in US Dollars)

(Unaudited)

As at December 31, 2017

1. General Information

iToolsUSA, LLC was organized as an Illinois limited liability company on August 30, 2004 under the Business Corporation Act of 1983. On October 21, 2005, iToolsUSA, LLC changed its name to ForceLogix, LLC. On April 14, 2008, under the Articles of Merger filed with the Secretary of State of Nevada and the Secretary of State of Illinois, ForceLogix, LLC merged with ForceLogix, Inc. with the surviving entity called ForceLogix, Inc. After giving effect to the merger, the financial statements have been prepared on a continuity of interests basis which recognizes ForceLogix, Inc. as the successor entity to the Company. As a result of the reverse takeover of Courtland Capital Corp. the continuing company changed its name to ForceLogix Technologies Inc. ("Forcelogix"). On February 25, 2011 the Company sold its operating subsidiary Forcelogix Technologies Inc. assets to Callidus Corp and changed its name to Courtland Capital Inc. ("the Company") and moved its operations back to Canada.

The condensed interim financial statements of the Company as at December 31, 2017 were authorized for issue in accordance with a resolution of the directors on February 28, 2018.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As at December 31, 2017, the Company had an accumulated deficit of \$5,967,929, incurred a net loss of \$48,819, working capital deficiency of \$ 68,174 and has negative cash flow from operations of \$48,125. These factors create significant uncertainty about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

3. Basis of preparation

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IFRS applicable to the preparation of interim financial statements including International Accounting Standard (IAS) 34. The condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2017 as the accounting policies applied by the Company in these interim financial statements are the same as those disclosed therein.

Basis of measurement

The interim financial statements have been prepared under the historical cost method, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments and share-based payments.

Functional and presentation currency

These financial statements are presented in US Dollars (USD). The Company's functional currency is Canadian Dollars (CAD).

COURTLAND CAPITAL INC.

Notes to the Condensed Interim Financial Statements

(Stated in US Dollars)

(Unaudited)

As at December 31, 2017

4. Significant accounting policies

The condensed interim financial statements have been prepared following the same accounting policies and methods of computation as the Company's March 31, 2017 annual financial statements. The Company continues to assess the impact of adopting the pronouncements of the IABS as described in the Company's March 31, 2017 annual financial statements.

5. Contingent Asset

At March 31, 2016, the Company had a loan balance of USD\$266,529 (2015 - \$255,139) receivable from Fixed Income Solutions LLC ("FIS"). Given the uncertainty of collection and financial difficulty of FIS the loan balance has been fully impaired as at the previous year end. The continuity of the loan and deposit receivable balance is as follows:

	USD\$	CAD\$
Loan advance	158,323	175,000
Interest accrued during the year	4,766	5,269
Deposit advanced	22,618	25,000
Balance, March 31, 2014 and April 1, 2014	185,707	205,269
Loan advance	98,563	125,000
Write off of non-refundable deposit	(21,955)	(25,000)
Interest accrued during the year	14,434	18,306
Foreign exchange adjustments	(21,610)	-
Balance, March 31, 2015	255,139	323,575
Interest accrued	11,390	21,369
Impairment of loan balance	(266,529)	(344,944)
Balance, March 31, 2016 and 2017	-	-

Courtland originally intended to acquire FIS, and entered into a non-binding letter of intent (the "LOI") on April 21, 2014, to acquire FIS through a business combination. Under the LOI, an aggregate amount of CAD\$300,000 was advanced by Courtland to FIS via a secured loan, bearing interest at 7% per annum, and secured against all the present and future acquired properties of FIS, including intangible assets and intellectual property. The loan amount was accumulated over the period as follows:

- CAD\$175,000 was advanced to FIS during the year ended March 31, 2014.
- During the fiscal year ended March 31, 2015, Courtland advanced an additional CAD\$125,000.

The transaction also included a non-refundable deposit of CAD\$25,000. Given the fact that this deposit is non-refundable, this has been written off as at March 31, 2015.

On June 12, 2015, Courtland terminated the LOI. All advances made by Courtland to FIS under the secured loan, plus accrued interest on that total, became immediately due and payable on June 12, 2015.

Courtland initiated a legal action against FIS and on June 23, 2015, applied to the US District Court for the Northern District of Illinois Eastern Division for a summary judgment in favor of Courtland, so that Courtland could execute its security and take possession of the assets.

On March 1, 2016, the Court granted Courtland's motion for summary judgment and entered judgment in favor of Courtland.

COURTLAND CAPITAL INC.

Notes to the Condensed Interim Financial Statements

(Stated in US Dollars)

(Unaudited)

As at December 31, 2017

5. Contingent Asset (Continued)

On May 12, 2016, the Court granted the motion and judgment against FIS in the amount of \$300K CAD plus accrued interest.

However, given the uncertainty regarding the ability of the Company to collect the full amount receivable from FIS via cash payment, the Company has fully impaired the loan receivable at December 31, 2017

6. Financial Instruments and Risk Management

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable. It is management's opinion that the Company 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 Company 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 is determined on level 1 inputs. The carrying values of all financial instruments approximate their fair values due to their short-term nature. There have been no transfers of assets between levels in the years presented.

Financial Instruments and Risk Management

Credit Risk

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its short-term obligations associated with financial liabilities. Liquidity needs are monitored by the Company to ensure it has sufficient funds to meet its liabilities when due, under normal and unexpected conditions, without incurring unacceptable losses or breaches in borrowing limits or covenants. Liquidity is managed by monitoring forecasted and actual cash flows, maintaining sufficient funds to meet expected operational expenses, and matching maturity profiles of financial assets and liabilities.

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.

- i. Interest rate risk

The Company has cash balances and no interest-bearing debt

- ii. Foreign currency risk

The Company does not have assets or liabilities in foreign currency.

COURTLAND CAPITAL INC.

Notes to the Condensed Interim Financial Statements

(Stated in US Dollars)

(Unaudited)

As at December 31, 2017

7. Capital Disclosures

The Company defines capital as shareholder's equity. The Company's objective when managing capital is to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company manages its capital to ensure that it has the financial capacity, liquidity and flexibility to fund investments in development of the Company's sales performance management solutions. The Company relies on cash flow from operations and equity offerings to fund its capital investments. The Company's long-term capital objectives are to maintain sufficient undrawn credit capacity to provide liquidity.

8. Related Party Transactions

Key management remuneration for the three month period ended December 31, 2017 was \$nil (Dec 31, 2016 – \$nil). The Company was charged \$9,450 (Dec 31, 2016 – \$15,000) in the three-month period for management fees and office services by a company related through a common director. There were no other related party transactions in the period.

9. Subsequent Events

Since the end of the December 31, 2017 quarter the following events have occurred. On January 12, 2018, representatives of Courtland and Tree of Knowledge Inc., a private Nevada corporation ("TOK"), entered into a binding letter agreement with TOK. TOK was founded in 2015 following several years of planning, with a mission to create a world-renowned, trusted line of products containing cannibidiol, the non-psychoactive component of Marijuana that has been shown to have a number of positive medical benefits for people.

On February 23, 2018, the Company closed the issuance of \$360,000 of principal amount of secured convertible debentures due February 22, 2019. The debentures bear interest at a rate of 8% per annum and the principal and interest are convertible into units of the Company at a price of \$0.10 per share. Each unit consists of one common share of the Company and one half of one purchase warrant, with each whole purchase warrant being exercisable into one common share of the Corporation at an exercise price of \$0.15 per share for a period of 24 months from the date of issue. The debentures are secured by the assets of the Company.

The debentures were issued in order to provide funds for working capital to complete the transaction with TOK. The sum of \$100,000 was loaned to TOK pursuant to a secured note bearing interest at 8% per annum and due August 23, 2018. The note is secured by a general security agreement over the assets of TOK. The transaction is expected to close in mid-April, 2018, subject to receipt of all necessary approvals, including regulatory approval, shareholder approval and the acceptance for listing of the Company's common shares on the Canadian Securities Exchange.

On April 2, 2018, Courtland entered into a merger agreement and plan of merger with TOK, which agreement was amended May 8, 2018, to include Courtland Merger Subco Inc., a wholly owned subsidiary of Courtland newly formed under the laws of Nevada to facilitate a merger with TOK pursuant to the laws of Nevada (the "Merger").

Courtland held an annual and special meeting of its shareholders on May 2, 2018 (the "Meeting"), to consider and approve a number of items, including (a) the consolidation of the Courtland common shares on a 49.16:1 basis; (b) the continuation of Courtland from the *Business Corporations Act* (British Columbia) to the *Canada Business Corporations Act* and the adoption of new by-laws; (c) the approval and adoption of a new form of stock option plan; and (d) the delisting of the Courtland common shares from the TSX Venture Exchange. All matters were approved by the Courtland shareholders at the Meeting. A meeting of shareholders of TOK was held on May 18, 2018 to consider the Merger, and a resolution of the TOK shareholders approving the Merger was passed.

COURTLAND CAPITAL INC.

Notes to the Condensed Interim Financial Statements

(Stated in US Dollars)

(Unaudited)

As at December 31, 2017

9. Subsequent Events *(Continued)*

On June 5, 2018, Courtland filed an amendment to change its name to Tree of Knowledge International Corp. Courtland is awaiting approval on its application to the Canadian Securities Exchange, which is a condition to the closing of the Merger. Closing of the Merger is expected to occur prior to the end of June 2018.

Courtland Capital Inc.
Financial Statements

For the years ended March 31, 2017 and 2016

COURTLAND CAPITAL INC.
Financial Statements

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Management Responsibilities Report

To the Shareholders of Courtland Capital Inc.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors exercises its responsibilities for financial controls through an Audit Committee. The Audit Committee is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

Calvista LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

July 28, 2017

Richard Grass
Director

Gene Maher
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Courtland Capital Inc.:

We have audited the accompanying financial statements of Courtland Capital Inc., which comprise the statement of financial position as at March 31, 2017 and March 31, 2016 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Courtland Capital Inc. as at March 31, 2017 and March 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Calgary, Alberta, Canada
July 28, 2017

Chartered Professional Accountants

COURTLAND CAPITAL INC.
Statements of Financial Position
As at March 31,
(Stated in United States Dollars)

	<i>2017</i>	<i>2016</i>
ASSETS		
Current assets		
Cash	\$ 56,418	\$ 157,357
Loan and deposit receivables (Note 10)	-	-
Total Assets	56,418	157,357
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	75,773	85,897
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	5,417,337	5,417,337
Contributed surplus	668,703	668,703
Accumulated other comprehensive loss	(186,285)	(185,728)
Deficit	(5,919,110)	(5,828,852)
	19,355	71,460
Total Liabilities and Shareholders' Equity	\$ 56,418	\$ 157,357

On behalf of the Board of Directors

Signed "Richard Grass"
Richard Grass
Director

Signed "Gene Maher"
Gene Maher
Director

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.
Statements of Loss and Comprehensive Loss
For the years ended March 31,
(Stated in United States Dollars)

	<u>2017</u>	<u>2016</u>
Revenue		
Interest and other income	\$ 631	\$ 18,070
Expenses		
General and administration	5,354	8,336
Outside service (Note 9)	44,190	46,554
Public company filing	5,746	10,316
Legal and professional	35,599	130,446
Impairment loss (Note 10)	-	266,529
Total expenses	90,889	462,181
Net loss for the year	(90,258)	(444,111)
Other comprehensive loss		
Foreign currency translation adjustment	(557)	(10,717)
Comprehensive loss	\$ (90,815)	\$ (454,828)
Net loss per share		
Basic and diluted	(0.0008)	(0.004)
Weighted average number of common shares	117,315,775	117,315,775

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.
Statements of Changes in Equity
(Stated in United States Dollars)

	<i>Share Capital</i>	<i>Contributed Surplus</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Deficit</i>	<i>Total Equity</i>
As at March 31, 2015	\$ 5,417,337	\$ 668,703	\$ (175,011)	\$ (5,384,741)	\$ 526,288
Change in foreign currency	-	-	(10,717)	-	(10,717)
Net loss for the year	-	-	-	(444,111)	(444,111)
As at March 31, 2016	5,417,337	668,703	(185,728)	(5,828,852)	71,460
Change in foreign currency	-	-	(557)	-	(557)
Net loss for the year	-	-	-	(90,258)	(90,258)
As at March 31, 2017	\$ 5,417,337	\$ 668,703	\$ (186,285)	\$ (5,919,110)	\$ 19,355

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.
Statements of Cash Flows
For the years ended March 31,
(Stated in United States Dollars)

	2017	2016
Cash provided by (used in):		
Operating activities		
Net loss	\$ (90,258)	\$ (444,111)
Non-cash transactions		
Write-off of loan receivable	-	266,529
Interest accrual on loan receivable	-	(11,390)
Change in non-cash working capital		
Accounts payable and accrued liabilities	(10,124)	45,577
Cash used in operating activities	(100,382)	(143,395)
Effect of exchange rate changes on cash	(557)	(10,717)
Change in cash	(100,939)	(154,112)
Cash, beginning of year	157,357	311,469
Cash, end of year	\$ 56,418	\$ 157,357

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

1. General Information

iToolsUSA, LLC was organized as an Illinois limited liability company on August 30, 2004 under the Business Corporation Act of 1983. On October 21, 2005, iToolsUSA, LLC changed its name to ForceLogix, LLC. On April 14, 2008, under the Articles of Merger filed with the Secretary of State of Nevada and the Secretary of State of Illinois, ForceLogix, LLC merged with ForceLogix, Inc. with the surviving entity called ForceLogix, Inc. After giving effect to the merger, the financial statements have been prepared on a continuity of interests basis which recognizes ForceLogix, Inc. as the successor entity to the Company. As a result of the reverse takeover of Courtland Capital Corp. the continuing company changed its name to ForceLogix Technologies Inc. ("Forcelogix"). On February 25, 2011 the Company sold its operating subsidiary Forcelogix Technologies Inc. assets to Callidus Corp. and changed its name to Courtland Capital Inc. ("the Company") and moved its operations back to Canada.

The address of the registered office is 79 Baysprings Terrace SW, Airdrie, AB T4B 4A7. The financial statements of the Company as at March 31, 2017 were authorized for issue in accordance with a resolution of the directors on July 28, 2017.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As at March 31, 2017, the Company had an accumulated deficit of \$5,919,111 (2016 - \$5,828,852), incurred a net loss of \$90,258 (2016 - \$444,111), working capital deficiency of \$ 19,355 (2016 - working capital of \$71,460) and has negative cash flow from operations of \$100,382 (2016 - \$143,395). These factors create significant uncertainty about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations through new business opportunities (Note 10) and generate funds therefrom, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables. The Company is continuing to evaluate possible opportunities to acquire assets or businesses in various industries through a reverse take-over transaction that would reactivate the Company and meet the minimum listing requirements for either a Tier 1 or Tier 2 issuer on the TSX Venture Exchange. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

3. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

3. Basis of preparation *(continued)*

Basis of measurement

The annual financial statements have been prepared under the historical cost method, except for certain financial assets and financial liabilities to fair value, including share-based payments.

Functional and presentation currency

These financial statements are presented in United States dollars ("USD"). The Company's functional currency is Canadian dollars ("CAD").

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The assumptions used in the determination of the fair value of stock options issued and the resulting income effect are based on estimates of future volatility of the Company's share price, the expected lives of the options and expected dividends to be paid by the Company and other relevant assumptions.

The assumptions used in the determination of the fair value of loan and deposit receivables are based on the future collectability of amounts owed to the Company. For further details, refer to Note 10.

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the Company utilizing certain tax pools and assets and changes in legislation, tax rates and interpretations by taxation authorities.

By their nature, these estimates are subject to measurement uncertainty, and as adjustments become known they are recorded in the statement of loss for the period.

Management uses judgment in the determination of the Company's functional currency which is in part based on future activities including acquisitions and financing activities to be denominated in US currency.

Although the functional currency is Canadian dollars, management has determined that the financial statements should be presented in US dollars in order for consistency with prior years' reporting, and in expectation that future activities including acquisitions and financing activities may be denominated in US dollars.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

4. Significant accounting policies

Cash and cash equivalents

Cash comprises balances with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less.

Share-based payments

The Company uses the fair value based method to account for all stock-based payments. Under this method, compensation cost is charged directly to earnings. Direct awards of equity granted to employees are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period with a corresponding credit to contributed surplus. When stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital. The fair value of options and warrants granted is estimated using the Black-Scholes pricing model, taking into account amounts that are believed to approximate the volatility of the trading price of the Company's equity and the risk-free interest rate, as determined at the grant date. In the event that vested options expire or are cancelled, previously recognized compensation expense associated with such stock options is not reversed.

Non-employee share based payments are measured based on the service provided to the reporting date and at their then current fair values. The cost of share based payments is presented as share based payments expense where applicable. Shares are issued from treasury upon the exercise of equity-settled share based instruments. Forfeitures are estimated for each reporting period and adjusted as required to reflect actual forfeitures that have occurred in the period.

Per share amounts

The Company calculates basic earnings per share using the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by considering the effect of all potentially dilutive ("in the money") options or instruments. In calculating diluted earnings per share, any proceeds from the exercise of dilutive options and other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period.

Foreign currency translation

The Company's reporting currency is USD. The financial statements are translated from CAD into USD using the following method: Revenue and expenses are translated into USD using average exchange rates for the year or period and assets and liabilities are translated using the exchange rates at the end of the year or period. All resulting exchange differences arising from the translation are included as a separate component in accumulated other comprehensive income.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

4. Significant accounting policies (continued)

Financial instruments

(a) Non-derivative financial instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described.

(b) Financial assets at fair value through profit or loss

An instrument is classified as fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition, attributable, transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Financial instruments in this category are cash and cash equivalents.

(c) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Liabilities in this category include accounts payable and accrued liabilities.

(d) Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, and tested for impairment as described in paragraph (f) below. Assets in this category include the loan and deposits receivable.

(e) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

4. Significant accounting policies (continued)

Financial instruments (continued)

(f) Impairment of financial assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets may be impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

Recent accounting pronouncements

The following are future accounting pronouncements that may impact the Company's financial statements:

IFRS 9, "Financial Instruments" ("IFRS 9") provides a comprehensive new standard for accounting for all aspects of financial instruments. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods currently provided in IAS 39.

Requirements for financial liabilities were added to IFRS 9 whereby the fair value option requires different accounting for changes to the fair value of a financial liability resulting from changes to an entity's own credit risk.

IFRS 9 introduces a single, forward-looking 'expected loss' impairment model for financial assets which will require more timely recognition of expected credit losses, and a fair value through other comprehensive income category for financial assets that are debt instruments.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact that IFRS 9 may have on the Company's financial statements.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

4. Significant accounting policies (continued)

Recent accounting pronouncements (continued)

IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15") provides a single model to determine how and when an entity should recognize revenue, as well as requiring entities to provide more informative, relevant disclosures in respect of its revenue recognition criteria. IFRS 15 is to be applied prospectively and is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact that IFRS 15 may have on the Company's financial statements.

IFRS 16, "Leases" ("IFRS 16"). The new standard requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases on low-value assets are exempt from the requirement, and may continue to be treated as operating leases. IFRS 16 is effective for years beginning on or after January 1, 2019 and is to be applied retrospectively. The Corporation is in the process of evaluating the impact that IFRS 16 may have on the Company's financial statements.

5. Share Capital

a) Authorized

Unlimited number of common shares, without nominal or par value.

b) Issued

Total number of common shares outstanding as at March 31, 2017 and 2016 is 117,315,775 with a total value of \$5,417,337.

c) Stock options

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. Under the plan, the aggregate number of shares that may be reserved for issuance pursuant to stock options, excluding broker options, may not exceed 10% of the issued shares of the Company at the time of granting. Options have a maximum term of five years and terminate 90 days following the termination of the optionee's employment or service to the Company. There were no options issued or exercisable during the current or previous years.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

5. Share Capital (continued)

The Company has also issued stock options to brokerage firms for services related to financing activities of the Company. These options have various terms up to a maximum of two years and vested 100% at the time of granting. At March 31, 2016 these stock options have expired.

A continuity of the Company's stock options is as follows:

	Directors, management and employees		Brokers	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, March 31, 2014 and 2015	1,627,778	\$0.10	-	-
Expired	(1,627,778)	\$0.10	-	-
Balance, March 31, 2016 and 2017	-	-	-	-

6. Deferred Taxes

The nature and tax effect of items giving rise to the Company's future tax assets and liabilities for the years ended March 31 are as follows:

	2017	2016
Deferred income tax assets:		
Non-capital loss carry forward amounts	\$ 836,335	\$ 811,965
Deferred tax benefits not recognized	(836,335)	(811,965)
Net deferred income tax assets	\$ -	\$ -

The Company has recorded a full valuation allowance against its net deferred tax asset based on the expectation that it is more probable than not that insufficient taxable income will be realized during the carry forward period to utilize the net future income tax asset.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

6. Deferred Taxes (continued)

Income tax expense for the year has been determined as follows:

	<u>2017</u>	<u>2016</u>
	<u>\$ (90,258)</u>	<u>\$ (444,111)</u>
Loss before taxes		
<u>Tax rate</u>	<u>27%</u>	<u>25%</u>
Expected tax recovery	(24,370)	(111,028)
Increase (decrease) in provision resulting from:		
Changes in loss carry forward tax benefit not recognized	24,370	111,028
Deferred tax recovery	\$ -	\$ -

The Company has approximately \$3,338,117 (2016 - \$3,247,859) in non-capital losses to be carried forward against future taxable income, which will expire from 2028 through to 2037.

7. Financial Instruments and Risk Management

The Company, as part of its operations, carries financial instruments consisting of cash, loans and deposits receivable and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

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 Company 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.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

7. Financial Instruments and Risk Management (continued)

Fair value

The fair value of cash is determined on level 1 inputs. The fair value of accounts payable and accrued liabilities and loans and deposits receivable are valued using Level 3 inputs. The carrying values of all current financial instruments approximate their fair values due to their short-term nature. The carry value of loans and deposits receivable approximate fair value to the market rate of interest attached to the loans. There has been no transfers of assets between levels in the years presented.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations.

The company is exposed to credit risk because its loan receivable is from a single party. Management believes that the security held against this loan in combination of the Letter of Intent described in Note 10 represents all reasonable steps to collect this amount. However the collection remains indeterminable.

The maximum exposure to credit risk is the carrying value of the financial assets on the statement of financial position.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its short-term obligations associated with financial liabilities. Liquidity needs are monitored by the Company to ensure it has sufficient funds to meet its liabilities when due, under normal and unexpected conditions, without incurring unacceptable losses or breaches in borrowing limits or covenants. Liquidity is managed by monitoring forecasted and actual cash flows, maintaining sufficient funds to meet expected operational expenses, and matching maturity profiles of financial assets and liabilities.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Company had a cash balance of \$56,418 (2016 – \$157,357). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

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.

i) Interest rate risk

The Company has cash balances and no interest-bearing debt

ii) Foreign currency risk

The Company does not have assets or liabilities in currencies other than functional currency.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

8. Capital Disclosures

The Company defines capital as shareholder's equity, and working capital. The Company's objective when managing capital is to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The Company manages its capital to ensure that it has the financial capacity, liquidity and flexibility to fund investments in development of the Company's sales performance management solutions. The Company relies on cash flow from operations, credit facility availability and equity offerings to fund its capital investments. The Company's long-term capital objectives are to maintain sufficient undrawn credit capacity to provide liquidity.

9. Related Party Transactions

During the year ended March 31, 2017, the Company paid management and administration fees totaling \$44,190 (2016 - \$46,554) for the services provided by Telejust Inc., a company which is owned by the Chief Executive Officer ("CEO") of the Company.

10. Contingent asset

At March 31, 2016, the Company had a loan balance of USD\$266,529 (2015 - \$255,139) receivable from Fixed Income Solutions LLC ("FIS"). Given the uncertainty of collection and financial difficulty of FIS the loan balance has been fully impaired as at the previous year end. The continuity of the loan and deposit receivable balance is as follows:

	USD\$	CAD\$
Loan Advance	158,323	175,000
Interest accrued during the year	4,766	5,269
Deposit advanced	22,618	25,000
<hr/>		
Balance, March 31, 2014 and April 1, 2014	185,707	205,269
Loan advance	98,563	125,000
Write off of non-refundable deposit	(21,955)	(25,000)
Interest accrued during the year	14,434	18,306
Foreign exchange adjustment	(21,610)	-
<hr/>		
Balance, March 31, 2015	255,139	323,575
Interest accrued	11,390	21,369
Impairment of loan balance	(266,529)	(344,944)
<hr/>		
Balance, March 31, 2016 and 2017	-	-

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2017 and 2016

(Stated in United States Dollars)

10. Contingent asset (continued)

Courtland originally intended to acquire FIS, and entered into a non-binding letter of intent (the "LOI") on April 21, 2014, to acquire FIS through a business combination. Under the LOI, an aggregate amount of CAD\$300,000 was advanced by Courtland to FIS via a secured loan, bearing interest at 7% per annum, and secured against all the present and future acquired properties of FIS, including intangible assets and intellectual property. The loan amount was accumulated over the period as follows:

- CAD\$175,000 was advanced to FIS during the year ended March 31, 2014.
- During the fiscal year ended March 31, 2015, Courtland advanced an additional CAD\$125,000.

The transaction also included a non-refundable deposit of CAD\$25,000. Given the fact that this deposit is non-refundable, this has been written off as at March 31, 2015.

On June 12, 2015, Courtland terminated the LOI. All advances made by Courtland to FIS under the secured loan, plus accrued interest on that total, became immediately due and payable on June 12, 2015.

Courtland initiated a legal action against FIS and on June 23, 2015, applied to the US District Court for the Northern District of Illinois Eastern Division for a summary judgment in favor of Courtland, so that Courtland could execute its security and take possession of the assets.

On March 1, 2016, the Court granted Courtland's motion for summary judgment and entered judgment in favor of Courtland.

On May 12, 2016, the Court granted the motion and judgment against FIS in the amount of \$300K CAD plus accrued interest.

However, given the uncertainty regarding the ability of the Company to collect the full amount receivable from FIS via cash payment, the Company has fully impaired the loan receivable at March 31, 2017.

Courtland Capital Inc.
Financial Statements

For the years ended March 31, 2016 and 2015

COURTLAND CAPITAL INC.

Financial Statements

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Management Responsibilities Report

To the Shareholders of Courtland Capital Inc.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors exercises its responsibilities for financial controls through an Audit Committee. The Audit Committee is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

Calvista LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

July 28, 2016

Richard Grass
Director

Gene Maher
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Courtland Capital Inc.:

We have audited the accompanying financial statements of Courtland Capital Inc., which comprise the statement of financial position as at March 31, 2016 and March 31, 2015 and the statements of loss and comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Courtland Capital Inc. as at March 31, 2016 and March 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Calgary, Alberta
July 28, 2016



Chartered Professional Accountants

COURTLAND CAPITAL INC.
Statements of Financial Position

As at March 31,
(Stated in United States Dollars)

	2016	2015
ASSETS		
Current assets		
Cash	157,357	311,469
Loan and deposit receivables (Note 11)	-	255,139
Total Assets	157,357	566,608
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	85,897	40,320
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	5,417,337	5,417,337
Contributed surplus	668,703	668,703
Accumulated other comprehensive loss	(185,728)	(175,011)
Deficit	(5,828,852)	(5,384,741)
	71,460	526,288
Total Liabilities and Shareholders' Equity	157,357	566,608

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.
Statements of Comprehensive Loss

*For the years ended March 31,
(Stated in United States Dollars)*

	2016	2015
Revenue		
Interest and other income	18,070	20,168
Expenses		
General and administration	8,336	47,334
Outside service (Note 10)	46,554	52,692
Public company filing	10,316	9,751
Legal and professional	130,446	128,903
Impairment loss (Note 11)	266,529	-
Total expenses	462,181	238,680
Net loss for the year	(444,111)	(218,512)
Other comprehensive loss		
Foreign currency translation adjustment	(10,717)	(79,597)
Comprehensive loss	(454,828)	(298,109)
Net loss per share		
Basic and diluted	(0.004)	(0.002)
Weighted average number of common shares	117,315,775	117,315,775

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.
Statements of Changes in Equity
(Stated in United States Dollars)

	<i>Share Capital</i>	<i>Contributed Surplus</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Deficit</i>	<i>Total Equity</i>
As at March 31, 2014	5,417,337	668,703	(95,414)	(5,166,229)	824,397
Change in foreign currency	-	-	(79,597)	-	(79,597)
Net loss for the year	-	-	-	(218,512)	(218,512)
As at March 30, 2015	5,417,337	668,703	(175,011)	(5,384,741)	526,288
Change in foreign currency	-	-	(10,717)	-	(10,717)
Net loss for the year	-	-	-	(444,111)	(444,111)
As at March 31, 2016	5,417,337	668,703	(185,728)	(5,828,852)	71,460

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.
Statements of Cash Flows
For the years ended March 31,
(Stated in United States Dollars)

	2016	2015
Cash provided by (used in):		
Operating activities		
Net loss	(444,111)	(218,512)
Non-cash transactions		
Write-off of loan receivable	266,529	21,955
Interest accrual on loan receivable	(11,390)	(14,434)
Change in non-cash working capital		
Accounts payable and accrued liabilities	45,577	(18,994)
Cash used in operating activities	(143,395)	(229,985)
Investing activities		
Advance of loan and effect of exchange rate changes on opening loan balance	-	(76,953)
Cash used in investing activities	-	(76,953)
Effect of exchange rate changes on cash	(10,717)	(79,597)
Change in cash	(154,112)	(386,535)
Cash, beginning of year	311,469	698,004
Cash, end of year	157,357	311,469

The accompanying notes are an integral part of these financial statements.

COURTLAND CAPITAL INC.

Notes to the Financial Statements

For the years ended March 31, 2016 and 2015

(Stated in United States Dollars)

1. General Information

iToolsUSA, LLC was organized as an Illinois limited liability company on August 30, 2004 under the Business Corporation Act of 1983. On October 21, 2005, iToolsUSA, LLC changed its name to ForceLogix, LLC. On April 14, 2008, under the Articles of Merger filed with the Secretary of State of Nevada and the Secretary of State of Illinois, ForceLogix, LLC merged with ForceLogix, Inc. with the surviving entity called ForceLogix, Inc. After giving effect to the merger, the financial statements have been prepared on a continuity of interests basis which recognizes ForceLogix, Inc. as the successor entity to the Company. As a result of the reverse takeover of Courtland Capital Corp. the continuing company changed its name to ForceLogix Technologies Inc. ("Forcelogix"). On February 25, 2011 the Company sold its operating subsidiary Forcelogix Technologies Inc. assets to Callidus Corp. and changed its name to Courtland Capital Inc. ("the Company") and moved its operations back to Canada.

The address of the registered office is Box 1497 Crossfield, Alberta, TOM OSO. The financial statements of the Company as at March 31, 2016 were authorized for issue in accordance with a resolution of the directors on July 28, 2016.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As at March 31, 2016, the Company had an accumulated deficit of \$5,828,852 (2015 - \$5,348,741), incurred a net loss of \$444,111 (2015 - \$218,512), and has negative cash flow from operations of \$143,395 (2015 - \$229,985). These factors create significant uncertainty about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations through new business opportunities (Note 11) and generate funds therefrom, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

3. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the fiscal year beginning April 1, 2015.

Basis of measurement

The annual financial statements have been prepared under the historical cost method, except for certain financial assets and financial liabilities to fair value, including share-based payments.

Functional and presentation currency

These financial statements are presented in United States dollars ("USD"). The Company's functional currency is Canadian dollars ("CAD").

3. Basis of preparation (continued)

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The assumptions used in the determination of the fair value of stock options issued and the resulting income effect are based on estimates of future volatility of the Company's share price, the expected lives of the options and expected dividends to be paid by the Company and other relevant assumptions.

The assumptions used in the determination of the fair value of loan and deposit receivables are based on the future collectability of amounts owed to the Company. For further details, refer to Note 11.

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the Company utilizing certain tax pools and assets and changes in legislation, tax rates and interpretations by taxation authorities.

By their nature, these estimates are subject to measurement uncertainty, and as adjustments become known they are recorded in the statement of loss for the period.

Management uses judgment in the determination of the Company's functional currency which is in part based on future activities including acquisitions and financing activities to be denominated in US currency.

Management has determined that in the 2016 and 2015, the functional currency has been Canadian dollars, and that the financial statements should be presented in US dollars in order for consistency with prior years' reporting, and in expectation that future activities including acquisitions and financing activities may be denominated in US dollars.

4. Significant accounting policies

Cash and cash equivalents

Cash comprises balances with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less.

Share-based payments

The Company uses the fair value based method to account for all stock-based payments. Under this method, compensation cost is charged directly to earnings. Direct awards of equity granted to employees are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period with a corresponding credit to contributed surplus. When stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital. The fair value of options and warrants granted is estimated using the Black-Scholes pricing model, taking into account amounts that are believed to approximate the volatility of the trading price of the Company's equity and the risk-free interest rate, as determined at the grant date. In the event that vested options expire or are cancelled, previously recognized compensation expense associated with such stock options is not reversed.

Non-employee share based payments are measured based on the service provided to the reporting date and at their then current fair values. The cost of share based payments is presented as share based payments expense where applicable. Shares are issued from treasury upon the exercise of equity-settled share based instruments. Forfeitures are estimated for each reporting period and adjusted as required to reflect actual forfeitures that have occurred in the period.

4. Significant accounting policies *(continued)*

Per share amounts

The Company calculates basic earnings per share using the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by considering the effect of all potentially dilutive (“in the money”) options or instruments. In calculating diluted earnings per share, any proceeds from the exercise of dilutive options and other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period.

Foreign currency translation

The Company's reporting currency is USD. The financial statements are translated from CAD into USD using the following method: Revenue and expenses are translated into USD using average exchange rates for the year or period and assets and liabilities are translated using the exchange rates at the end of the year or period. All resulting exchange differences arising from the translation are included as a separate component in accumulated other comprehensive income.

Financial instruments

(a) Non-derivative financial instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described.

(b) Financial assets at fair value through profit or loss

An instrument is classified as fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance the Company's documented risk management or investment strategy. Upon initial recognition, attributable, transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Financial instruments in this category is cash and cash equivalents.

(c) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Liabilities in this category include accounts payable and accrued liabilities.

(d) Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, and tested for impairment as described in paragraph (f) below. Assets in this category include the loan and deposits receivable.

4. Significant accounting policies (continued)

Financial instruments (continued)

(e) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(f) Impairment of financial assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets may be impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

Recent accounting pronouncements

The Company has reviewed amendments to accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. IFRS 9 is effective for annual period beginning on or after January 1, 2018.

IFRS 11 Joint Arrangements

Amendments to IFRS 11 Joint Arrangements clarify the accounting for acquisitions of interests in joint operations. The amendments are effective for annual period beginning on or after January 1, 2016.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 Revenue from Contracts with Customers which specifies how and when an entity will recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. IFRS 15 is effective for annual period beginning on or after January 1, 2018.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

IAS 7 Statement of Cash Flows

Amendments to IAS 7 Statement of Cash Flows require disclosures that enable financial statement users to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 Income Taxes

Amendments to IAS 12 Income Taxes clarify that recognition of deferred tax assets for unrealized losses related to debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 16 Property, Plant Equipment and IAS 38 Intangible Assets

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets clarify acceptable methods of depreciation and amortization. The amendments are effective for annual periods beginning on or after January 1, 2016.

The Company is currently assessing the impact these standards and amendments may have on its financial statements.

5. Share Capital

a) Authorized

Unlimited number of common shares, without nominal or par value.

b) Issued

Total number of common shares outstanding as at March 31, 2016 and 2015 is 117,315,775 with a total value of \$5,417,337.

c) Stock options

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. Under the plan, the aggregate number of shares that may be reserved for issuance pursuant to stock options, excluding broker options, may not exceed 10% of the issued shares of the Company at the time of granting. Options have a maximum term of five years and terminate 90 days following the termination of the optionee's employment or service to the Company. All options currently issued vested 100% at the time of granting.

COURTLAND CAPITAL INC.
Notes to the Financial Statements
For the years ended March 31, 2016 and 2015
(Stated in United States Dollars)

5. Share Capital (continued from previous page)

The Company has also issued stock options to brokerage firms for services related to financing activities of the Company. These options have various terms up to a maximum of two years and vested 100% at the time of granting. At March 31, 2015 these stock options have expired.

A continuity of the Company's stock options is as follows:

	Directors, management and employees		Brokers	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, March 31, 2014 and 2013	1,627,778	\$0.10	-	-
Expired	(1,627,778)	\$0.10	-	-
Balance, March 31, 2015 and 2016	-	-	-	-

6. Deferred Taxes

The nature and tax effect of items giving rise to the Company's future tax assets and liabilities for the years ended March 31 are as follows:

	2016	2015
Deferred income tax assets:		
Non-capital loss carry forward amounts	811,965	700,937
Deferred tax benefits not recognized	(811,965)	(700,937)
Net deferred income tax assets	-	-

The Company has recorded a full valuation allowance against its net deferred tax asset based on the expectation that it is more probable than not that insufficient taxable income will be realized during the carry forward period to utilize the net future income tax asset.

Income tax expense for the year has been determined as follows:

	2016	2015
Loss before taxes	(444,111)	(218,512)
Tax rate	25%	25%
Expected tax recovery	(111,028)	(54,628)
Increase (decrease) in provision resulting from:		
Changes in loss carry forward tax benefit not recognized	111,028	54,628
Deferred tax recovery	-	-

The Company has approximately \$3,247,859 (2015 - \$2,803,748) in non-capital losses to be carried forward against future taxable income, which will expire from 2028 through to 2036.

7. Financial Instruments and Risk Management

The Company, as part of its operations, carries financial instruments consisting of cash, loans and deposits receivable and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

7. Financial Instruments and Risk Management *(continued)*

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 Company 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.

8. Financial Instruments and Risk Management

Fair value

The fair value of cash is determined on level 1 inputs. The fair value of accounts payable and accrued liabilities and loans and deposits receivable are valued using Level 3 inputs. The carrying values of all current financial instruments approximate their fair values due to their short-term nature. The carry value of loans and deposits receivable approximate fair value to the market rate of interest attached to the loans. There has been no transfers of assets between levels in the years presented.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations.

The company is exposed to credit risk because its loan receivable is from a single party. Management believes that the security held against this loan in combination of the Letter of Intent described in Note 11 provide adequate protection to mitigate this credit risk.

The maximum exposure to credit risk is the carrying value of the financial assets on the statement of financial position.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its short-term obligations associated with financial liabilities. Liquidity needs are monitored by the Company to ensure it has sufficient funds to meet its liabilities when due, under normal and unexpected conditions, without incurring unacceptable losses or breaches in borrowing limits or covenants. Liquidity is managed by monitoring forecasted and actual cash flows, maintaining sufficient funds to meet expected operational expenses, and matching maturity profiles of financial assets and liabilities.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2016, the Company had a cash balance of \$157,357 (2015 – \$311,469). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

8. Financial Instruments and Risk Management *(continued)*

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.

i) Interest rate risk

The Company has cash balances and no interest-bearing debt

ii) Foreign currency risk

The Company does not have assets or liabilities in currencies other than its functional currency.

9. Capital Disclosures

The Company defines capital as shareholder's equity, and working capital. The Company's objective when managing capital is to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company manages its capital to ensure that it has the financial capacity, liquidity and flexibility to fund investments in development of the Company's sales performance management solutions. The Company relies on cash flow from operations, credit facility availability and equity offerings to fund its capital investments. The Company's long-term capital objectives are to maintain sufficient undrawn credit capacity to provide liquidity.

10. Related Party Transactions

During the year ended March 31, 2016, the Company paid management and administration fees totaling \$46,554 (2015 - \$52,692) for the services provided by Telejust Inc., a company which is owned by the Chief Executive Officer ("CEO") of the Company.

11. Contingent asset

At March 31, 2016, the Company had a loan balance of USD\$266,529 (2015 - \$255,139) receivable from Fixed Income Solutions LLC ("FIS"). Given the uncertainty of collection and financial difficulty of FIS the loan balance has been fully impaired as at year end. The continuity of the loan and deposit receivable balance is as follows:

	USD\$	CAD\$
Loan Advance	158,323	175,000
Interest accrued during the year	4,766	5,269
Deposit advanced	22,618	25,000
<hr/>		
Balance, March 31, 2014 and April 1, 2014	185,707	205,269
Loan advance	98,563	125,000
Write off of non-refundable deposit	(21,955)	(25,000)
Interest accrued during the year	14,434	18,306
Foreign exchange adjustment	(21,610)	-
<hr/>		
Balance, March 31, 2015	255,139	323,575
Interest accrued	11,390	21,369
Impairment of loan balance	(266,529)	(344,944)
<hr/>		
Balance, March 31, 2016	-	-

11. Contingent asset *(continued)*

Courtland originally intended to acquire FIS, and entered into a non-binding letter of intent (the "LOI") on April 21, 2014, to acquire FIS through a business combination. Under the LOI, an aggregate amount of CAD\$300,000 was advanced by Courtland to FIS via a secured loan, bearing interest at 7% per annum, and secured against all the present and future acquired properties of FIS, including intangible assets and intellectual property. The loan amount was accumulated over the period as follows:

- CAD\$175,000 was advanced to FIS during the year ended March 31, 2014.
- During the fiscal year ended March 31, 2015, Courtland advanced an additional CAD\$125,000.

The transaction also included a non-refundable deposit of CAD\$25,000. Given the fact that this deposit is non-refundable, this has been written off as at March 31, 2015.

On June 12, 2015, Courtland terminated the LOI. All advances made by Courtland to FIS under the secured loan, plus accrued interest on that total, became immediately due and payable on June 12, 2015.

Courtland initiated a legal action against FIS and on June 23, 2015, applied to the US District Court for the Northern District of Illinois Eastern Division for a summary judgment in favor of Courtland, so that Courtland could execute its security over the assets and take possession of the assets.

On March 1, 2016, the Court granted Courtland's motion for summary judgment and entered judgment in favor of Courtland.

On May 12, 2016, the Court granted the motion and judgment against FIS in the amount of \$300K CAD plus accrued interest.

Subsequent to year end, Courtland and FIS have entered into negotiations for the settlement of the debt.

However, given the uncertainty regarding the ability of the Company to collect the full amount receivable from FIS via cash payment, the Company has fully impaired the loan receivable at March 31, 2016.

APPENDIX C
TREE OF KNOWLEDGE INTERNATIONAL CORP.
ANNUAL & INTERIM MD&A

**COURTLAND CAPITAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS For
nine months ended December 31, 2017
Revised (Stated in US\$)**

Courtland Capital Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For nine months ended Dec 31, 2017 Revised US\$

This Management's Discussion & Analysis ("MD&A") is dated June 22, 2018 and relates to the nine months ended December 31, 2017 and has been revised. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised of three directors, two of whom are independent. The Audit Committee reviews this disclosure and recommends its approval to the Board of Directors. The MD&A dated February 28, 2018, is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors.

The following management's discussion and analysis should be read in conjunction with the March 31, 2017 audited consolidated financial statements and notes thereto of Courtland Capital Inc. ("CTD") or (the "**Company**") as well as the Company's December 31, 2017 financial statements. All monetary amounts, unless otherwise indicated, are expressed in U.S. dollars. Financial data has been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Additional information relating to the Company and other regulatory filings can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements included in this document constitute forward-looking statements that are subject to substantial risks and uncertainties that may cause the actual results, performance or achievements expressed or implied by such forward-looking statements to differ. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe" or similar words are intending to identify forward-looking statements. Such statements reflect the Company's "forecasts", "estimates" and "expectations" as they relate to future events and are subject to certain risks, uncertainties and assumptions. These risks and uncertainties include, among other things, changes in general economic, market and business conditions, and competition for, among other things, capital. The Company cautions that actual performance will be affected by a number of factors, many of which are beyond its control. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Company Description

The Company has no active operations or business following the disposition of its wholly owned subsidiary, ForceLogix Inc, in February, 2011. The Company has been listed on the NEX of the TSX Venture Exchange (the "**Exchange**") since March 21, 2011 NEX is the lowest tier of the Exchange for listed companies that no longer meet the listing requirements for either a Tier 1 or Tier 2 issuer on the Exchange. The NEX will provide a trading platform for the Company where it intends to use is capital to source and acquire another business or assets with a view to reactivating the Company by meeting the minimum listing requirements for either a Tier 1 or Tier 2 issuer on the Exchange.

Courtland Capital Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For nine months ended Dec 31, 2017 Revised US\$

The Company is continuing to evaluate opportunities for the acquisition of assets or a business that will make it an operational company.

General and Administrative Expenses

The Company had general and administrative expenses of \$2 for the nine months ended December 31, 2017 compared with \$2,883 for the 9 months ended December 31, 2016. These expenses were comprised of bank service fees, foreign exchange and travel.

Overall Performance and Results of Operations

The Company's only source of revenue is through interest income earned on its cash and cash equivalents and the interest earned from the Secured Loan. The Company has no operations, nor can it commence any operations without completing a reverse take-over.

The quarterly and annual operational comparisons are not very relevant given the Company has no operations. Operational costs will be limited and relate primarily to regulatory, corporate and professional costs.

Summary of Quarterly Results

Selected financial information for each of the most recent eight quarters commencing December 2015 follows:

Summary of Quarterly Financial results (revised in US\$)										
	2017				2016				2015	
	Dec	Sept	June	Mar	Dec	Sept	June	March	Dec	Sept
Net Revenue	53	13	29	104	132	4,996	5,091	8,078	321	4,995
Net Revenue	9,625	4,305	9,009	13,190	13,133	30,634	30,084	277,283	44,560	15,380
NetLoss/Share	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)

Revenues are generated from the interest paid on the deposits of funds in an interest savings account at a provincially licensed financial institution. Revenue for the quarter ended December 31, 2017 was \$53US compared to \$125US during the three months ending December 31, 2016.

Net comprehensive loss for three months ended December 31, 2017 is \$13,122US which compares to the net comprehensive loss for the three months ended December 31, 2016 of \$14,694US.

Outside service expenses accounted for \$7,433 in the current quarter as compared to \$11,232 for the three months ending December 31, 2016. For 9 months the outside services contract was reduced from \$34,367 in 2016 to \$21,975 attempting to conserve cash to complete a transaction. This is for service contract with a Company that a Director controls for ongoing management services.

The cash on hand ending December 31, 2017 was \$8,293US, a decrease from year end March 31, 2017 of \$56,418US.

Courtland Capital Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For nine months ended Dec 31, 2017 Revised US\$

Liquidity and Capital Resources

As at December 31, 2017, the Company had negative working capital. The Company's only source of revenue is through interest income earned on its cash and cash equivalents. As the Company has no operations nor can it commence any operations without completing a reverse take-over, the Company's ability to generate cash will be solely from interest income. The Company will continue to incur costs related to seeking and completing a reverse take-over. The Company will need to rely on additional cash from a potential target company or the potential target company paying a portion of the expenses and regulatory fees necessary to complete a reverse take-over. It is anticipated that any transaction to acquire a business or assets will be completed in conjunction with a concurrent financing. The Company's future capital requirements will depend on many factors, in particular, the nature of the transaction it may enter into to acquire a business or assets.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Proposed Transactions

From time-to-time, the Company may enter into transactions that present favorable opportunities including future financing arrangements to fund continued expansion, acquisition or growth. The Company does not currently have any proposed transactions.

Related Party Transactions

The Company was party to a related party transaction during three months ended December 31, 2017. Pursuant to a management services agreement dated effective March 1, 2011 between the Company and a company owned by Rick Grass, an officer and director of the Company, and his associate, the Company pays a monthly fee of \$3,150 for the provision of management and administrative services (including office facilities).

This transaction was in the normal course of operations, and was recorded at the exchange amounts.

Share capital and Outstanding Share Data

Share Capital	Amount Authorized	Amount outstanding as at September 30, 2017	Amount outstanding as at September 30, 2016
Common Shares	Unlimited	117,315,775	117,315,775
Stock Options ⁽¹⁾	Nil	Nil	Nil
Agent's Options	Nil	Nil	Nil
Special Warrants	Nil	Nil	Nil
Warrants	Nil	Nil	Nil

Notes:

- (1) Each stock option entitles the optionee to purchase one common share of the Company as a fixed price for a period of up to 5 years in accordance with the Company's stock option plan and applicable regulatory rules and policies.

Courtland Capital Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For nine months ended Dec 31, 2017 Revised US\$

Subsequent Events

Since the end of the December 31, 2017 quarter the following events have occurred. On January 12, 2018, representatives of Courtland and Tree of Knowledge Inc., a private Nevada corporation ("TOK"), entered into a binding letter agreement with TOK. TOK was founded in 2015 following several years of planning, with a mission to create a world-renowned, trusted line of products containing cannibidiol, the non-psychoactive component of Marijuana that has been shown to have a number of positive medical benefits for people.

On February 23, 2018, the Company closed the issuance of \$360,000 of principal amount of secured convertible debentures due February 22, 2019. The debentures bear interest at a rate of 8% per annum and the principal and interest are convertible into units of the Company at a price of \$0.10 per share. Each unit consists of one common share of the Company and one half of one purchase warrant, with each whole purchase warrant being exercisable into one common share of the Corporation at an exercise price of \$0.15 per share for a period of 24 months from the date of issue. The debentures are secured by the assets of the Company.

The debentures were issued in order to provide funds for working capital to complete the transaction with TOK. The sum of \$100,000 was loaned to TOK pursuant to a secured note bearing interest at 8% per annum and due August 23, 2018. The note is secured by a general security agreement over the assets of TOK. The transaction is expected to close in mid-April, 2018, subject to receipt of all necessary approvals, including regulatory approval, shareholder approval and the acceptance for listing of the Company's common shares on the Canadian Securities Exchange.

On April 2, 2018, Courtland entered into a merger agreement and plan of merger with TOK, which agreement was amended May 8, 2018, to include Courtland Merger Subco Inc., a wholly owned subsidiary of Courtland newly formed under the laws of Nevada to facilitate a merger with TOK pursuant to the laws of Nevada (the "Merger").

Courtland held an annual and special meeting of its shareholders on May 2, 2018 (the "Meeting"), to consider and approve a number of items, including (a) the consolidation of the Courtland common shares on a 49.16:1 basis; (b) the continuation of Courtland from the *Business Corporations Act* (British Columbia) to the *Canada Business Corporations Act* and the adoption of new by-laws; (c) the approval and adoption of a new form of stock option plan; and (d) the delisting of the Courtland common shares from the TSX Venture Exchange. All matters were approved by the Courtland shareholders at the Meeting. A meeting of shareholders of TOK was held on May 18, 2018 to consider the Merger, and a resolution of the TOK shareholders approving the Merger was passed.

On June 5, 2018, Courtland filed an amendment to change its name to Tree of Knowledge International Corp. Courtland is awaiting approval on its application to the Canadian Securities Exchange, which is a condition to the closing of the Merger. Closing of the Merger is expected to occur prior to the end of June 2018.

Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and its operations expose the Company to market risk, fair value risk, credit risk and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes this exposure. While management monitors and administers these risks, the Board has the overall responsibility for the establishment and oversight of the Company's

Courtland Capital Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For nine months ended Dec 31, 2017 Revised US\$

risk management framework. To date, the Board has not established formal policies to set risk limits and to control and monitor these risks in relation to market conditions.

Disclosure Controls and Procedures

The Company's certifying officers did file a Venture Issuer Basic Certificate with respect to the information contained in its unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a 'Notice to Reader' stating that the certifying officers do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

As the review of IFRS accounting policies was completed, appropriate changes to ensure the integrity of internal controls over financial reporting and disclosure controls and procedures were made. Changes from Canadian GAAP to IFRS accounting policies, which may have resulted in a financial impact on reported amounts in the Company's financial statements, were included in the implementation of additional controls or procedures to address the reporting of first-time adoption of IFRS and on-going IFRS reporting requirements. The conversion to IFRS did not result in any changes to the Company's accounting system.

Risks and Uncertainties

The Company has no active operations and no longer meets the initial listing requirements of the Exchange. Consequently, the Company's listing was transferred to NEX in March 2011. The Company can have its listing transferred back to either Tier 1 or Tier 2 of the Exchange, provided that it successfully completes an acquisition of assets or a business that will meet the Exchange's applicable initial listing requirements. There are no assurances that the Company will be successful in identifying and completing a transaction that will allow it to become an operation company on a timely basis or at all. Any such transaction will be subject to regulatory and shareholder approval. There are no assurances that the Company will obtain regulatory or shareholder approval on terms acceptable to it, or at all.

As at December 31, 2017, the Company has a substantial accumulated deficit, substantial losses and a negative cash flow. Consequently, there is significant uncertainty about the Company's ability to continue as a going concern. In the event the Company is unable to continue as a going concern, it may not be able to realize the value of its assets and to meet its liabilities as they come due.

COURTLAND CAPITAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended March 31, 2017

Courtland Capital Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended March 31, 2017

This Management's Discussion & Analysis ("**MD&A**") is dated July 28, 2017 and relates to the fiscal year ended March 31, 2017. The Board of Directors carries out its responsibility for review of the disclosure principally through its Audit Committee, comprised of three directors, two of whom are independent. The Audit Committee reviews this disclosure and recommends its approval to the Board of Directors. The MD&A dated July 28, 2017, is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors.

The following management's discussion and analysis should be read in conjunction with the March 31, 2017 audited financial statements and notes thereto of Courtland Capital Inc. ("**CTD**") or (the "**Company**") as well as the Company's March 31, 2016 audited financial statements. All monetary amounts, unless otherwise indicated, are expressed in U.S. dollars. Financial data has been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Additional information relating to the Company and other regulatory filings can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements included in this document constitute forward-looking statements that are subject to substantial risks and uncertainties that may cause the actual results, performance or achievements expressed or implied by such forward-looking statements to differ. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe" or similar words are intending to identify forward-looking statements. Such statements reflect the Company's "forecasts", "estimates" and "expectations" as they relate to future events and are subject to certain risks, uncertainties and assumptions. These risks and uncertainties include, among other things, changes in general economic, market and business conditions, and competition for, among other things, capital. The Company cautions that actual performance will be affected by a number of factors, many of which are beyond its control. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Company Description

The Company has no active operations or business following the disposition of its wholly owned subsidiary, ForceLogix Inc, in February 2011. The Company has been listed on the NEX of the TSX Venture Exchange (the "**Exchange**") since March 21, 2011. NEX is the lowest tier of the Exchange for listed companies that no longer meet the listing requirements for either a Tier 1 or Tier 2 issuer on the Exchange. The NEX will provide a trading platform for the Company where it intends to use its capital to source and acquire another business or assets with a view to reactivating the Company by meeting the minimum listing requirements for either a Tier 1 or Tier 2 issuer on the Exchange.

Courtland Capital Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended March 31, 2017

The Company's common shares trade on the NEX of the TSX Venture Exchange. The Company is continuing to evaluate opportunities for the acquisition of assets or a business that will make it an operational company.

Loan to Fixed Income Solutions LLC ("**FIS**")

During the 2014 fiscal year the Company entered into a loan and security agreement with FIS and a secured 7% promissory note both dated October 23, 2013 under which the Company could advance up to CDN\$300,000 (the "**Secured Loan**"). The Secured Loan was advanced to facilitate a proposed transaction to acquire FIS. The Company was not successful in its efforts to acquire FIS despite two separate attempts.

The Secured Loan was secured against the assets of FIS in the first position pursuant to a secured promissory note and a loan and security agreement (the "**Loan Documents**"). The Company had demanded repayment of the Secured Loan and commenced a lawsuit against FIS in the US District Court for the Northern District of Illinois Eastern Division.

On March 16, 2016 Courtland was granted a summary judgment in respect of this lawsuit. The summary judgment also granted Courtland ongoing interest at 7% plus legal fees associated with the enforcement and collection of the debt. Courtland has filed a formal judgment with the US District Court for the Northern District of Illinois Eastern Division in the amount of \$312,903.35 for principal, interest and legal fees.

Although Courtland has obtained a judgment for the collection of the Secured Loan, the probability of collecting the Secured Loan remains uncertain and cannot be verified. Consequently, the Company decided to recognize an impairment loss of the full amount of the outstanding loan as at March 31, 2016 in the amount of \$266,529.

The Company has not been successful in negotiating the payment or settlement of the judgment from FIS as it appears that FIS is in significant financial difficulty. Management has attempted to sell the assets of FIS it holds security over, and has had ongoing discussions with several companies to purchase the Company's security or the FIS assets but has not been able to finalize an acceptable deal. The Company is of the view that it is unlikely it will be able to successfully sell the assets of FIS as FIS no longer has any customers that are continuing to use its software, which is the primary asset FIS has. In the event the Company is able to obtain payment from FIS or otherwise sell the FIS assets, the amounts or value received by the Company will be subsequently recognized as a gain. This has been characterized as contingent asset as more particularly described in Note 10 in the Notes to the Financial Statements for the March 31, 2017.

Overall Performance and Results of Operations

The Company's only source of revenue is through interest income earned on its cash and cash equivalents and the Secured Loan. The Company has no operations nor can it commence any operations without completing a reverse take-over.

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	\$631	\$18,070
Expenses	\$90,889	\$462,181

Courtland Capital Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended March 31, 2017

	Year ended March 31, 2017	Year ended March 31, 2016
Loss Before Taxes	(\$90,258)	(\$444,111)
Loss per share	(\$0.0008)	(\$0.004)
Weighted Average	117,315,775	117,315,775

Revenue for the year ended March 31, 2017 was \$631 compared to \$18,070 during the year ending March 31, 2016 from operations, a decrease of \$17,439 from having less cash deposited in GICs with a Canadian financial institution and the Company is no longer generating any interest income on the Secured Loan.

The legal and accounting fees represents \$35,599, of total expenses or 39% of expenses in 2017 as compared to \$130,446 (66%) in 2016. These expenses primarily relate to audit fees and legal fees associated to regulatory compliance.

Outside service expenses accounted for \$44,190 in the current year as compared to \$46,554 for the year ending March 31, 2016. This is for service contract with a Company that a Director controls for ongoing management services.

The effect on the foreign currency translation adjustments on cash was \$557 in 2017 as compared to \$10,717 in 2016. The decrease was a result of the Secured Loan being written off in the prior year and not contributing to exchange fluctuations in the current year.

General and Administrative Expenses

The Company had general and administrative expenses of \$5,354 for the year ended March 31, 2017 compared to \$8,336 for the year ended March 31, 2016. The decrease in general and administrative expenses year over year is due to management's objective to reduce operating expenses. This was accomplished in part by the reduction of the management fee from CDN\$5,000 to CDN\$3,000 commencing in March, 2017. General and administrative expenses for the year ended March 31, 2017 were comprised of bank services fees, interest expense, license and fees.

Summary of Quarterly Results

Selected financial information for each of the most recent nine quarters since March 31, 2014 follows:

Summary of Quarterly Financial Results									
	2017				2016				2015
	17-Mar	16-Dec	16-Sep	16-Jun	16-Mar	15-Dec	15-Sep	15-Jun	15-Mar
Net Revenue	132	167	162	170	3,235	4,696	4,766	5,373	9,496
Net Losses	(16,697)	(19,624)	(27,317)	(26,620)	(350,991)	(26,346)	(22,549)	(44,225)	(70,020)
Net Loss per share	(0.001)	(0.001)	(0.001)	(0.002)	(0.003)	(0.001)	(0.001)	(0.001)	(0.003)

Courtland Capital Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended March 31, 2017

Revenues are generated from the interest paid on the deposits of funds in an interest savings account at a provincially licensed financial institution.

Liquidity and Capital Resources

As at March 31, 2017, the Company had a working capital deficit of \$19,355. The Company's only source of revenue is through interest income earned on its cash and cash equivalents. As the Company has no operations nor can it commence any operations without completing a reverse take-over, the Company's ability to generate cash will be solely from interest income. The Company will continue to incur costs related to seeking and completing a reverse take-over and its overall regulatory compliance expenses. The Company is of the view that it has sufficient cash to cover only a portion of the expenses and regulatory fees necessary to complete a reverse take-over. The Company will need to rely on additional cash from a potential target company or the potential target company paying a portion of the expenses and regulatory fees necessary to complete a reverse take-over. It is anticipated that any transaction to acquire a business or assets will be completed in conjunction with a concurrent financing. The Company's future capital requirements will depend on many factors, in particular, the nature of the transaction it may enter into to acquire a business or assets.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Proposed Transactions

From time-to-time, the Company may enter into transactions that present favorable opportunities including future financing arrangements to fund continued expansion, acquisition or growth. The Company does not have any proposed transactions as at the date hereof but continues to seek prospective opportunities.

Related Party Transactions

The Company was party to a related party transaction during year ended March 31, 2017. Pursuant to a management services agreement dated effective March 1, 2011 between the Company and a company owned by Rick Grass, an officer and director of the Company, and his associate, the Company pays a monthly fee of CDN\$5,000 which was reduced to CDN\$3,000 during the year for the provision of management and administrative services (including office facilities).

These transactions were in the normal course of operations, and were recorded at the exchange amounts.

Courtland Capital Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended March 31, 2017

Share capital and Outstanding Share Data

Share Capital	Amount Authorized	Amount outstanding as at March 31, 2017	Amount outstanding as at March 31, 2016
Common Shares	Unlimited	117,315,775 ⁽¹⁾	117,315,775 ⁽¹⁾
Stock Options	11,731,577	Nil	Nil
Agent's Options	Nil	Nil	Nil
Special Warrants	Nil	Nil	Nil
Warrants	Nil	Nil	Nil

Subsequent Events

There have been no subsequent events since March 31, 2017.

Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and its operations expose the Company to market risk, fair value risk, credit risk and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes this exposure. While management monitors and administers these risks, the Board has the overall responsibility for the establishment and oversight of the Company's risk management framework. To date, the Board has not established formal policies to set risk limits and to control and monitor these risks in relation to market conditions

Disclosure Controls and Procedures

The Company's certifying officer did file a Venture Issuer Basic Certificate with respect to the information contained in its unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a 'Notice to Reader' stating that the certifying officers do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

Risks and Uncertainties

The Company has no active operations and no longer meets the initial listing requirements of the Exchange. Consequently, the Company's listing was transferred to NEX in March 2011. The Company can have its listing transferred back to either Tier 1 or Tier 2 of the Exchange, provided that it successfully completes an acquisition of assets or a business that will meet the Exchange's applicable initial listing requirements. The Company does not have sufficient funds to cover the costs and expenses of a reverse take-over transaction and will require additional financing or financial assistance from any potential target company. There are no assurances that the Company will be successful in identifying and completing a transaction that will allow it to become an operation company on a timely basis or at all. Any such transaction will be subject to regulatory and shareholder approval. There are no assurances that the Company will obtain regulatory or shareholder approval on terms acceptable to it, or at all.

Courtland Capital Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended March 31, 2017

As at March 31, 2017, the Company has a substantial accumulated deficit, substantial losses and a negative cash flow. Consequently, there is significant uncertainty about the Company's ability to continue as a going concern. In the event the Company is unable to continue as a going concern, it may not be able to realize the value of its assets and to meet its liabilities as they come due.

APPENDIX D
TREE OF KNOWLEDGE ANNUAL & INTERIM FINANCIAL STATEMENTS

1. TOK Unaudited Interim Financial Statements for the three months ended March 31, 2018, consisting of Balance Sheets, Statements of Operations, Statements of Changes in Shareholders' Equity and Statements of Cash Flow and the notes thereto.
2. TOK Audited Financial Statements as at and for the fiscal years ended December 31, 2017 and 2016, consisting of Balance Sheets, Statements of Operations, Statements of Changes in Shareholders' Equity and Statements of Cash Flow and the notes thereto.

Tree of Knowledge Inc.

Unaudited Interim Condensed Consolidated Financial Statements

For the three month periods ended March 31, 2018 and 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of Tree of Knowledge, Inc., (the "Company") are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim condensed consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Brian Main", Director
Brian Main

"Michael Caridi", Director
Michael Caridi

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Tree of Knowledge, Inc.

Results of Review of Interim Financial Information

We have reviewed the consolidated statement of financial position of Tree of Knowledge, Inc. (the Company) as of March 31, 2018, and the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the three-month period then ended, and the related notes (collectively referred to as the interim financial statements). Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with International Financial Reporting Standards.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the statement of financial position of the Company as of December 31, 2017, and the related statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated April 30, 2018, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed balance sheet as of December 31, 2017, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

As disclosed in Note 1 of the financial statements, Tree of Knowledge, Inc. relies on outside sources to fund operations, and has incurred significant losses. Accordingly, substantial doubt is raised about Tree of Knowledge, Inc.'s ability to continue as a going concern.

Basis for Review Results

These interim financial statements are the responsibility of the Company's management. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

Fruci & Associates II, PLLC

Fruci & Associates II, PLLC
Spokane, WA
June 13, 2018

Tree of Knowledge Inc.

Unaudited Interim Consolidated Statements of Financial Position
(Expressed in US Dollars)

As at,	March 31, 2018	December 31, 2017
	(unaudited)	(audited)
Assets		
Current		
Cash	\$ 25,907	\$ 21,947
Trade and other receivables, net (Note 3)	85,165	29,774
Inventory (Note 4)	262,876	251,273
Current assets	373,948	302,994
Equipment (Note 5)	332,582	353,316
Intangible assets (Note 6)	165,000	-
Total assets	\$ 871,530	\$ 656,310
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 7 & 9)	\$ 283,254	\$ 244,823
Commercial loans (Note 8)	-	15,807
Shareholder loans (Note 9)	790,906	698,210
Promissory note payable (Note 15)	78,902	-
Total liabilities	1,153,062	958,840
Shareholders' Deficiency		
Share capital (Note 10)	8,414,002	6,031,061
Shares to be issued (Note 10)	463,562	2,476,503
Accumulated deficit	(9,159,096)	(8,810,094)
Total shareholders' deficiency	(281,532)	(302,530)
Total liabilities and shareholders' deficiency	\$ 871,530	\$ 656,310

Nature of Operations and Going concern (Note 1)
Subsequent Events (Note 15)

Approved on behalf of the Board:

"Brian Main" Director

"Michael Caridi" Director

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Tree of Knowledge Inc.

Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in US Dollars)

For the three months ended March 31,	2018	2017
Revenue	\$ 160,687	\$ 110,647
Cost of sales	(102,446)	(39,138)
Gross margin	58,241	71,509
Operating expenses		
Salaries, benefits, and consulting <i>(Note 9)</i>	193,214	2,305,929
Office and general	70,201	63,370
Depreciation <i>(Note 6)</i>	25,604	9,002
Professional fees <i>(Note 9)</i>	83,639	34,658
Travel and promotion	34,327	84,713
Total expenses	(406,985)	(2,497,672)
Net loss before the following items	(348,744)	(2,426,163)
Accretion on convertible debentures	-	(7,406)
Interest on convertible debentures	-	(9,212)
Interest on commercial loans	(258)	(14,339)
Net loss and comprehensive loss	\$ (349,002)	\$ (2,457,120)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.18)
Weighted average number of shares outstanding – basic and diluted	25,820,117	13,635,166

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Tree of Knowledge Inc.

Unaudited Interim Consolidated Statement of Changes in Shareholders' Equity

(Expressed in US Dollars)

	Share Capital					
	Number of Shares	Amount	Contributed Surplus	Shares to be Issued	Accumulated Deficit	Total
Balance at December 31, 2016	12,507,851	\$ 1,489,641	\$ 27,177	\$ 6,000	\$ (2,948,594)	\$ (1,425,776)
Shares issued for services – from shares to be issued	6,000,000	180,000	-	(6,000)	-	174,000
Shares issued for services	7,269,032	4,361,420	-	-	-	4,361,420
Conversion component of convertible debentures	-	-	126,380	-	-	126,380
Conversion of convertible debentures	-	-	(153,557)	2,476,503	-	2,322,946
Total loss and comprehensive loss for the year	-	-	-	-	(5,861,500)	(5,861,500)
Balance at December 31, 2017	25,776,883	\$ 6,031,061	\$ -	\$ 2,476,503	\$ (8,810,094)	\$ (302,530)
Shares issued for cash	45,454	50,000	-	100,000	-	150,000
Shares issued on conversion of convertible debentures	2,765,170	2,112,941	-	(2,112,941)	-	-
Shares issued for services	50,000	55,000	-	-	-	55,000
Shares issued for intangible asset	150,000	165,000	-	-	-	165,000
Total loss and comprehensive loss for the period	-	-	-	-	(349,002)	(349,002)
Balance at March 31, 2018	28,787,507	\$ 8,414,002	\$ -	\$ 463,562	\$ (9,159,096)	\$ (281,532)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Tree of Knowledge Inc.

Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in US Dollars)

For the three months ended March 31,	2018	2017
OPERATING ACTIVITIES		
Net Loss	\$ (349,002)	\$ (2,457,120)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	25,604	9,002
Shares issued for services	55,000	2,228,167
Accretion on convertible debentures	-	7,406
Net change in non-cash working capital :		
Trade and other receivables	(55,391)	(17,424)
Inventory	(11,603)	(22,508)
Accounts payable and accrued liabilities	38,431	43,312
Cash Flow Used in Operating Activities	(296,961)	(209,165)
INVESTING ACTIVITIES		
Purchase of equipment	(4,870)	-
Cash Used in Investing Activities	(4,870)	-
FINANCING ACTIVITIES		
Shares issued for cash	50,000	-
Proceeds for shares to be issued	100,000	-
Shareholder loans (repayments)	92,696	(34,144)
Promissory notes received	78,902	-
Proceeds from convertible debentures	-	245,000
Repayment of commercial loans	(15,807)	(195,307)
Proceeds from commercial loans	-	201,600
Interest on convertible debentures	-	9,212
Cash Flow From Financing Activities	305,791	226,361
Net increase (decrease) in cash	\$ 3,960	\$ 17,196
Cash at beginning of period	21,947	14,063
Cash at end of period	\$ 25,907	\$ 31,259

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

1. Nature of Operations and Going Concern

Tree of Knowledge Inc. (the "Company") was incorporated on April 21, 2015 in the State of Nevada. The Company, through its wholly owned subsidiary Tree of Kindness, Inc., is a producer and distributor of hemp-based cannabidiol ("CBD") products, which includes premium hemp-derived CBD oil, tinctures, capsules and vape pens. The address of the Company's registered office is 306, 2nd Avenue, Pasco, Washington, 99301, United States.

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company has a net loss for the three month period ended March 31, 2018 of \$349,002 (2017 - \$2,457,120) and negative cash flows from operating activities of \$296,961 (2017 - \$209,165 negative cash flow). In addition, as at March 31, 2018 the Company has an accumulated deficit of \$9,159,096 (December 31, 2017 - \$8,810,094) and a working capital deficiency of \$779,114 (December 31, 2017 - \$655,846 working capital deficiency). These conditions indicate the existence of material uncertainties which cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations and/or restructure the existing debt and payables. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

2. Basis of Presentation

2.1 Statement of compliance

These unaudited interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim condensed consolidated financial statements were authorized by the Board of Directors of the Company on June 12, 2018.

2.2 Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2017 annual financial statements.

These consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in US dollars, which is also the Company's functional currency, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

2. Basis of Presentation (continued)

2.3 Adoption of new and revised standards and interpretations

Adoption of New Standards

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2018. These changes were made in accordance with the applicable transitional provisions.

- IFRS 9 Financial Instruments (“IFRS 9”) – In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB’s project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9’s key changes include but are not limited to eliminating the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available for sale and (ii) replacing IAS 39’s incurred loss model with the expected credit loss model in evaluating certain financial assets for impairment. In implementing IFRS 9, the Company updated the financial instrument classifications within its accounting policy as follows:

	IAS 39	IFRS 9
Cash	Fair Value through profit or loss	Fair Value through profit or loss
Trade and other receivables	Loans and Receivables, measured at amortized cost	Amortized cost
Accounts payable and accrued liabilities, commercial loans, shareholder loans, promissory note payable	Financial liabilities at amortized cost	Financial liabilities at amortized cost

There was no material impact on the Company’s condensed consolidated interim financial statements upon adoption of this standard.

- IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) – In May 2014, the IASB issued IFRS 15, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In implementing IFRS 15, the Company converted its revenue recognition policy into a five step model to recognize revenue upon satisfying performance obligations and transferring control of its inventory to its customers. The following is the new accounting policy for revenue recognition under IFRS 15: The five step model is summarized as follows:
 1. Identify the contract with a customer
 2. Identify the performance obligations in the contract
 3. Determine the transaction price
 4. Allocate the transaction price to the performance obligations in the contract
 5. Recognize revenue when (or as) the entity satisfies a performance obligation

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

2. Basis of Presentation (continued)

2.3 Adoption of new and revised standards and interpretations (continued)

The Company earns revenue from the sale of CBD products. The Company recognizes revenue when it transfers control of the CBD product to the customer, which generally occurs upon purchase. Payment is receivable on the date of transfer of control. There was no material impact on the Company's condensed interim consolidated financial statements upon adoption of this standard.

New standards and interpretations to be adopted in future periods

- In 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"), replacing IAS 17, *Leases* and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15 has been adopted. The Company has not yet determined the impact of the amendments on the Company's consolidated financial statements.

3. Trade and Other Receivables, net

The Company's trade and other receivables are as follows:

	As at,	
	March 31, 2018	December 31, 2017
	\$	\$
Trade receivable	85,165	29,774
Total trade and other receivables, net	85,165	29,774

As at March 31, 2018, the total trade receivable is \$85,165 (December 31, 2017 - \$29,774) and a provision for non-collection of \$nil (December 31, 2017 - \$6,440) has been recorded.

As at March 31, 2018, the Company anticipates full recovery of the \$85,165 (December 31, 2017 - \$29,774) in receivables and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 12. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2018 and December 31, 2017.

As part of the security interest on the loan described in note 8, the Company assigned the trade receivable as security against the loan.

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

4. Inventory

Inventory consists of CBD oil and packaging equipment. Cost represents the delivered price of the item. The following is a breakdown of items in inventory:

	March 31, 2018	December 31, 2017
Raw materials	\$ 119,355	\$ 100,720
Finished goods	143,521	150,553
Total Inventory	\$ 262,876	\$ 251,273

The Company records inventory based on the first in, first out method. As at December 31, 2016, the Company's inventory was pledged as collateral against a note held by a lender. The note was fully repaid as at December 31, 2017.

5. Equipment

	Buildings	Equipment	Total
	\$	\$	\$
Cost			
As at December 31, 2016	47,560	127,063	174,623
Additions	131,907	168,512	300,419
As at December 31, 2017	179,467	295,575	475,042
Additions	3,782	1,088	4,870
As at March 31, 2018	183,249	296,663	479,912
Accumulated depreciation			
As at December 31, 2016	12,095	43,818	55,913
Additions	19,905	45,908	65,813
As at December 31, 2017	32,000	89,726	121,726
Additions	8,642	16,962	25,604
As at March 31, 2018	40,642	106,688	147,330
Net book value			
As at December 31, 2016	35,465	83,245	118,710
As at December 31, 2017	147,467	205,849	353,316
As at March 31, 2018	142,607	189,975	332,582

The Company's CO₂ extraction machine, carrying value of \$88,569 (December 31, 2017 - \$95,905) at March 31, 2018, was previously pledged as collateral against a note held by a lender. The fair value approximates the carrying value. This note was repaid in February 2017 and replaced by a similar collateral pledge loan, see Note 8 for details.

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

6. Intangible asset

The Company holds intellectual property on certain products. The intellectual property is licensed until 2023. Intellectual property will be amortized over the estimated useful life on a straight-line basis of five years.

Cost	
As at December 31, 2017	-
Additions	165,000
As at March 31, 2018	165,000
Accumulated amortization	
As at December 31, 2017	-
Additions	-
As at March 31, 2018	-
Carrying amounts	
As at December 31, 2017	-
As at March 31, 2018	165,000

Pursuant to the agreement, the Company is required to pay three installments of \$50,000 for total cash consideration of \$150,000 payable over the first three months from signing (not yet paid) and required to purchase \$50,000 in product for the first year and \$100,000 per year thereafter.

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities. The usual credit period taken for purchases is between 30 to 90 days.

The following is a breakdown of accounts payable and accrued liabilities:

	March 31,	As at,
	2018	December 31,
		2017
Trade payables	\$ 218,752	\$ 159,527
Payroll related liabilities	502	31,296
Accrued liabilities	64,000	54,000
Total accounts payable and accrued liabilities	\$ 283,254	\$ 244,823

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
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8. Commercial Loans

Greenhawk Loan:

On January 28, 2016, the Company entered into a line of credit agreement with Greenhawk I, LLC (“Greenhawk”), a Washington limited liability company, whereby Greenhawk made a 12-month commercial loan to the Company in the amount of \$300,000 in the form of a revolving line of credit (the “Line of Credit”).

In order to secure the loan, Greenhawk took a security interest in the Company’s equipment (a CO₂ extraction machine), and assignments of the Company’s accounts receivable and the CBD extract purchased with the proceeds lent under the Line of Credit, together with certain personal guarantees.

The Line of Credit carries an interest rate of 12% per year on the amount borrowed. The Company is required to make monthly, interest-only payments. At closing, the following was paid from the loaned funds:

1. 7 origination points (\$21,000);
2. Loan Service Fee of \$3,600 (\$300 per month);
3. Due Diligence Fee of \$2,500; and
4. Legal Document Preparation Fee of \$7,500 (estimated).

During the term of the loan, the Company is required to maintain fire and casualty insurance on the equipment and products, naming Greenhawk as the Loss Payable Beneficiary, and Greenhawk will receive half of the net profit from the production/sale of the product purchased by the Company from the proceeds of the Line of Credit.

In February 2017, the loan was fully repaid and as at December 31, 2017, the amount outstanding under the Line of Credit was \$nil.

Frontier Mutual Loan:

On February 1, 2017, the Company entered into a revolving promissory note agreement with Frontier Mutual, LLC (“Frontier”), a Washington limited liability company, whereby Frontier made a 12-month commercial loan to the Company in the amount of \$175,000 in the form of a revolving promissory note (the “Promissory Note”).

In order to secure the loan, Frontier took a security interest in the Company’s equipment (a CO₂ extraction machine), and assignments of the Company’s accounts receivable and the CBD extract, together with certain personal guarantees.

The Promissory Note carries an interest rate of 18% per year on the amount borrowed. The Company is required to make monthly interest and principal payments. At closing, the following was paid from the loaned funds:

1. 5 origination points (\$8,750);
2. Loan Service Fee of \$1,200 (\$100 per month);
3. Due Diligence Fee of \$1,000; and
4. Legal Document Preparation Fee of \$1,000.

During the term of the loan, the Company is required to maintain fire and casualty insurance on the equipment and products, naming Frontier as the Loss Payable Beneficiary. The monthly payment of \$16,044 is due on the 1st of each month. A penalty of \$5,000 will be charged for late payments.

As at March 31, 2018, the loan was fully repaid and the amount outstanding under the Promissory Note was \$nil (December 31, 2017 - \$15,807).

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
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9. Related Parties and Key Management

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

For the three month period ended March 31, 2018, \$37,500 (2017 - \$37,500) was incurred for salary to Brian Main, President.

For the three month period ended March 31, 2018, \$37,500 (2017 - \$37,500) was incurred for salary to Michael Caridi, Vice-President.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at March 31, 2018, \$76,768 (December 31, 2017 - \$51,521) is included in accounts payable and accrued liabilities.

Various loans were provided to the Company by directors and officers. As at March 31, 2018 \$790,906 (December 31, 2017 - \$698,210) is outstanding. The amount is non-interest bearing, unsecured, without fixed terms of repayment and due on demand.

Subsequent to March 31, 2018, two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining amount to December 31, 2019. The parties agreed to receive 440,082 common shares at a price of \$1.10 per share.

10. Share Capital

The Company is authorized to issue 100,000,000 shares of common stock with a par value of \$0.001 and 5,000,000 shares of preferred stock with a par value of \$0.001.

The issued and outstanding common stock consists of the following:

	Number	Amount (\$)
Balance at December 31, 2016	12,507,851	1,489,641
Issued for non-cash consideration:		
Shares issued for services – from shares to be issued	6,000,000	180,000
Shares issued for services	7,269,032	4,361,420
Balance at December 31, 2017	25,776,883	6,031,061
Issued for cash consideration:		
Shares issued for cash	45,454	50,000
Issued for non-cash consideration:		
Shares issued for services	50,000	55,000
Shares issued for intangible asset	150,000	165,000
Shares issued on conversion of convertible debentures (Note 13)	2,765,170	2,112,941
Balance at March 31, 2018	28,787,507	8,414,002

Shares to be Issued:

As at March 31, 2018, shares with value of \$363,562 (December 31, 2017 - \$2,476,503) have been recorded as shares to be issued in connection with 488,777 shares (December 31, 2017 - 3,249,535) due to convertible debtholders on conversion of convertible debentures which occurred on December 26, 2017 and for \$100,000 cash proceeds received for shares issued subsequent to the period.

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
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11. Contributed Surplus

A summary of the changes in the Company's contributed surplus reserve for the three month period ended March 31, 2018 and year ended December 31, 2017 is as follows:

	Amount
	\$
Balance – December 31, 2016	27,177
Conversion component of convertible notes	126,380
Conversion of convertible notes to shares	(153,557)
Balance – December 31, 2017 and March 31, 2018	-

12. Management of Capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three month period ended March 31, 2018. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock and deficit, which as at March 31, 2018 totaled \$(281,532) (December 31, 2017 - \$(302,530)).

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

13. Financial Instruments

Fair Value of Financial Instruments

The fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company designated its cash as fair value through profit and loss, which is measured at fair value and is classified as Level 1.

The carrying value of the Company's cash, loan receivable, accounts payable and accrued liabilities, line of credit and convertible debentures approximate their fair value due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the majority of the Company's cash is in a major US bank in general interest bearing accounts.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Company had current assets of \$373,948 (December 31, 2017 - \$302,994) and current liabilities of \$1,153,062 (December 31, 2017 - \$958,840). All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. As at March 31, 2018, working capital deficiency of the Company is \$779,114 (December 31, 2017 - \$655,846).

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

14. Convertible Notes

Activity during the year ended December 31, 2017:

During the year ended December 31, 2017, the Company closed its non-brokered private placement of unsecured convertible debentures for total gross proceeds of \$1,795,000. The rate of interest on the debentures is 8% per annum, payable upon maturity, with a term of 1 year. The notes are subject to a mandatory conversion into shares of common stock at a conversion price of 25% discount to the market price of the Company's first offering of shares after issuance of the notes.

Outstanding balance:

On December 26, 2017, the mandatory conversion clause was triggered and notices have been sent to the note holders for the mandatory conversions of their notes. As a result, 3,249,535 shares are issuable on conversion of interest and principal in the amount of \$2,476,503 which are recorded as shares to be issued as at December 31, 2017. The shares were issued subsequent to year end.

Interest accretion expense during the year ended December 31, 2017 amounted to \$126,380 (year ended December 31, 2016 - \$18,118).

Interest accretion expense during the three month period ended March 31, 2017 amounted to \$7,406.

15. Subsequent events

Subsequent to March 31, 2018, 488,777 shares were issued to the remaining convertible noteholders in connection with the mandatory conversion clause which was triggered on December 26, 2017 whereby notices were sent to the note holders for the mandatory conversions of their notes.

Subsequent to March 31, 2018, two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining amount to December 31, 2019. The parties agreed to receive 440,082 common shares at a price of \$1.10 per share.

On April 2, 2018, the Company entered into a merger agreement (the "Merger Agreement") in respect of an arm's length agreement where by Courtland Capital Inc. is set to acquire the business of Tree of Knowledge Inc. (the "Transaction") and to change its name to Tree of Knowledge International Corp.

The Transaction is structured as a three-cornered merger whereby Courtland will form a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of Courtland. The Merger Agreement is subject to a number of conditions, including but not limited to: (a) obtaining the necessary shareholder approvals of the TOK shareholders, (b) the continuation of the Company from the laws of British Columbia to the laws of Canada, (c) the acceptance for listing on the Canadian Stock Exchange ("CSE") and the concurrent delisting from the TSX Venture Exchange, (d) as well as approvals of other applicable regulatory authorities.

The annual general and special meeting of the Courtland shareholders was called to be held on May 2, 2018 (the "Meeting"). The delisting of the Courtland common shares from the TSX Venture Exchange will require the approval of a majority of the votes cast at the Meeting by the holders of the common shares, as well as a majority of the votes cast at the Meeting, excluding those votes attached to common shares held by officers and directors of the Company.

Tree of Knowledge Inc.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
For the three month period ended March 31, 2018 and 2017
(expressed in US Dollars)

15. Subsequent events (continued)

In connection with and as a condition of the Transaction, Courtland will consolidate its shares on a 49.16 to 1 basis (the "Consolidation"). There are currently 117,315,775 Courtland Shares outstanding which will result in approximately 2,386,407 post-Consolidation Courtland Shares. TOK shareholders will be issued approximately 64.9 million post Consolidation common shares of Courtland as the 'Resulting Issuer'. The former TOK shareholders will own approximately 88% of the outstanding Courtland shares (undiluted) following completion of the Transaction and including conversion of the Courtland Debentures (as defined below). The Transaction is expected to be accounted for as a reverse take-over.

Courtland has provided funds for working capital to complete the transaction with TOK. The sum of \$100,000 CAD was loaned to TOK pursuant to a secured note bearing interest at 8% per annum and due August 23, 2018. The note is secured by a general security agreement over the assets of TOK. As at March 31, 2018, \$78,902 (December 31, 2017 - \$nil) is owing under the promissory note, representing the US dollar equivalent plus accrued interest.

On April 10, 2018 the Company entered into an agreement Sustainable Growth Strategic Capital Corp. ("SGSCC"), a private Ontario corporation that has applied to be a Canadian ACMPR Licensed Producer that produces and distributes cannabis. Pursuant to the TOK Acquisition Agreement, SGSCC has agreed to provide TOK with 5,000 square feet of space in its facility located at 633, 645 Coronation Drive, Toronto, Ontario M1E 2K4, and manage the construction of a laboratory and clean work space to TOK's specifications. In addition TOK will have the option to lease an additional 15,000 square feet for expansion purposes. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the facility in accordance with applicable regulations. As consideration, TOK has issued 1,818,181 common shares of TOK to acquire 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC.

On May 18, 2018, the Company entered into an agreement with NYSK Holdings LLC, ("NYSK"), a licensed manufacturer, distributor, importer and exporter of cannabis, CBD and pharmaceutical based products in the Country of Macedonia (the "Macedonia Agreement"). TOK agreed to acquire a 5% interest in NYSK and its affiliate for an aggregate cost of \$1.5 million, comprised of 909,090 shares issued at a price of \$1.10 and \$500,000 in cash to be paid in two instalments tied to the timing of the Company completing its next financing. The Company will be required to issue additional common shares to NYSK pursuant to a "price protection" provision to the extent that the trading price is not \$1.10 on a date that is four months following the day the common shares are listed. To the extent the cash payments are not made by September 15, 2018, TOK's interest will be reduced to 3.5%.

Subsequent to March 31, 2018, an aggregate of 236,365 shares were issued pursuant to a private placement to investors at a price of \$1.10 per share for proceeds of \$260,000. Also in May an aggregate of 145,000 shares at a price of \$1.10 were issued to various parties, including as compensation to employees, consultants, and service providers.

TREE OF KNOWLEDGE INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations For the three months ended March 31, 2018 and 2017

The following Management's Discussion and Analysis ("MD&A") comments on the unaudited condensed consolidated interim financial condition and results of operations of Tree of Knowledge Inc. for the three months ended March 31, 2018. All data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with Tree of Knowledge Inc.'s unaudited condensed consolidated interim financial statements for the three months ended March 31, 2018 (the "financial statements") and the annual audited consolidated financial statements for the year ended December 31, 2017 and 2016. All figures are in United States dollars unless stated otherwise.

Unless the context otherwise requires, all references to "Tree of Knowledge", "TOK", "Company", "our", "us", and "we" refers to Tree of Knowledge Inc., and shall include the Company's subsidiary as the context requires.

The effective date of this MD&A is June 12, 2018. All amounts are presented in United States dollars, unless otherwise noted.

This discussion contains forward-looking statements that are historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Tree of Knowledge's future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

GOING CONCERN ASSUMPTION

The financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. As at March 31, 2018, the Company had a working capital deficiency of \$779,114 (December 31, 2017 - \$655,846) and an accumulated deficit of \$9,159,096 (December 31, 2017 - \$8,810,094). The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations and/or restructure the existing debt and payables. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

OVERVIEW

Description of Business

Tree of Knowledge is a private company incorporated on April 21, 2015 in the State of Nevada. The address of the Company's head office is currently located at 1119 W. 1st Avenue, Spokane, WA 99201, and its registered office is 306, 2nd Avenue, Pasco, WA 99301, United States. TOK has six subsidiaries, Tree of Kindness, Inc. (Nevada), TOK Tech, Inc. (Washington), EVR Biosciences (UK) Ltd. (Scotland), EVR Biosciences Limited (Ireland), EVR Global Biosciences Ltd. (British Columbia) and EVR-CBD, Inc. (Washington). No subsidiary is a reporting issuer, and none of the subsidiaries' securities are registered under the securities legislation of any jurisdiction. Of the subsidiaries, only Tree of Kindness Inc. and EVR Biosciences Limited (Ireland) have active operations.

The Company operates in the cannabishealth and wellness sectors in certain jurisdictions in the United States, Europe, South America (Brazil) and China with an outlook of expanding into Canada and other jurisdictions where such activity is permitted and regulated by applicable laws. The Company operates through entities that hold a valid license to produce and distribute such products in accordance with applicable regulations.

TREE OF KNOWLEDGE INC.

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TOK has forged relationships with quality and ethical USDA-approved farmers and co-ops to source quality hemp extracts. Upon receiving the extracts, the company ensures the quality through its third-party testing protocols. All of our products are made with cannabinoids extracted from controlled strains of USDA approved industrial hemp making them widely accepted internationally. The CBD contained in our products is extracted from USDA approved organic and kosher grown hemp using proprietary extraction process whose output provides the purest product available today. We thoroughly test our CBD to confirm potency and to confirm absence of heavy metals, pesticides, microbials and residual solvents. This is a quality control step which many other manufacturers do not take. We also provide live lab test results using QR codes (smart phone enabled bar codes) on all our products.

The Company's facility builds the TOK CBD product lines for our customers. TOK has forged multiple relationships with other providers in the industry to outsource specialty orders for our customers. TOK currently offers 7 CBD product lines, including airless metered pens, capsules, drops, balms, creams and tinctures, which may be used in connection with the treatment of a number of ailments and for general wellness purposes. Certain of the products employ the use of a proprietary dosing mechanism

The Company will not operate in jurisdictions which do not allow for hemp derived products and does not intend to operate in U.S. state jurisdictions which have legalized cannabis but have not developed a licensing and compliance regime for "Licensed Operators," in a manner compliant with the former Cole Memo (see "*Regulatory Considerations – United States Regulatory Overview*").

In certain circumstances, the Company may pursue business opportunities in other value chain segments, such as operating a dispensary or making strategic investments. The aim of this strategy is to secure a foothold in such markets, through obtaining a License to operate a business that is not directly related to extraction/processing and then partner with another Licensed Operator that is able to operate in the extraction/processing space.

Recent Developments and Outlook

Expansion in Canada

TOK entered into a letter of intent dated January 12, 2018, with Courtland Capital Inc. ("CTD"), a British Columbia corporation listed on the NEX Exchange, for the purpose of merging their businesses (the "LOI"). The LOI contemplates CTD acquiring all of the outstanding shares of TOK in exchange for shares of CTD. Following completion of the transaction, CTD's core business would become the business of TOK and CTD will continue doing business as "Tree of Knowledge International Corp." It is a condition to closing of the transaction that CTD apply for a listing on the Canadian Stock Exchange.

TOK entered into an agreement dated March 15, 2018 (the "**TOK Acquisition Agreement**"), with Sustainable Growth Strategic Capital Corp. ("**SGSCC**"), a private Ontario corporation, that has applied to be a Canadian ACMPR Licensed Producer that produces and distributes cannabis. Pursuant to the TOK Acquisition Agreement, SGSCC has agreed to provide TOK with 5,000 square feet of space in its facility located at 633, 645 Coronation Drive, Toronto, Ontario M1E 2K4, and manage the construction of a laboratory and clean work space to TOK's specifications. In addition TOK will have the option to lease an additional 15,000 square feet for expansion purposes. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the facility in accordance with applicable regulations. As consideration, TOK has agreed to issue 1,818,181 common shares of TOK (approximately 5%) and SGSCC has agreed to issue 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC. The TOK Acquisition Agreement is subject to the parties completing their due diligence and entering in to a Definitive Agreement on or before April 15, 2018.

TREE OF KNOWLEDGE INC.

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On April 10, 2018 the Company entered into an agreement Sustainable Growth Strategic Capital Corp. ("SGSCC"), a private Ontario corporation, that has applied to be a Canadian ACMPR Licensed Producer that produces and distributes cannabis. Pursuant to the TOK Acquisition Agreement, SGSCC has agreed to provide TOK with 5,000 square feet of space in its facility located at 633, 645 Coronation Drive, Toronto, Ontario M1E 2K4, and manage the construction of a laboratory and clean work space to TOK's specifications. In addition TOK will have the option to lease an additional 15,000 square feet for expansion purposes. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the facility in accordance with applicable regulations. As consideration, TOK has issued 1,818,181 common shares of TOK to acquire 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC.

TOK and CTD entered into an agreement and plan of merger on April 2, 2018 (the "**Merger Agreement**"). The transaction is structured as a three-cornered merger whereby CTD will incorporate a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of CTD. The Merger Agreement is subject to a number of conditions, including but not limited to: obtaining the necessary shareholder approvals of the TOK shareholders, the consolidation of CTD common shares on a 49.16 for one basis, the completion of a shares/convertible debt financing by CTD in the maximum amount of \$360,000, the acceptance for listing on the Canadian Stock Exchange ("CSE") and the concurrent delisting from the TSX Venture Exchange, as well as approvals of other applicable regulatory authorities. Assuming that no additional shares of TOK are issued other than as contemplated under the Merger Agreement, the former TOK shareholders will own 92.5% of the outstanding CTD shares following completion of the transaction. The proposed transaction is expected to be accounted for as a reverse take-over.

In connection with the Proposed Transaction, TOK and CTD have entered into a finder's fee agreement whereby the finder group will receive, at Closing, a finder's fee equal to 2.5% of the securities issued in CTD following completion of the Proposed Transaction for efforts made in introducing the parties and facilitating the Proposed Transaction. Douglas Design Associates Inc., the finder pursuant to such agreement, is an Arm's Length Party to CTD. The finder's fee is subject to acceptance by the CSE.

On May 18, 2018, the Company entered into an agreement with NYSK Holdings LLC, ("NYSK"), a licensed manufacturer, distributor, importer and exporter of cannabis, CBD and pharmaceutical based products in the Country of Macedonia (the "Macedonia Agreement"). TOK agreed to acquire a 5% interest in NYSK and its affiliate for an aggregate cost of \$1.5 million, comprised of 909,090 shares issued at a price of \$1.10 and \$500,000 in cash to be paid in two instalments tied to the timing of the Company completing its next financing. The Company will be required to issue additional common shares to NYSK pursuant to a "price protection" provision to the extent that the trading price is not \$1.10 on a date that is four months following the day the common shares are listed. To the extent the cash payments are not made by September 15, 2018, TOK's interest will be reduced to 3.5%.

Subsequent to March 31, 2018, two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining amount to December 31, 2019. The parties agreed to receive 440,082 common shares at a price of \$1.10 per share.

UNITED STATES REGULATORY OVERVIEW

United States Federal Law

While cannabis and cannabis-infused products are legal under the laws of several U.S. States (with vastly differing restrictions), the concept of "medical marijuana" and "retail marijuana" do not exist under U.S. federal law. The United States Federal Controlled Substances Act classifies "marijuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use and a lack of safety for the use of the drug under medical supervision. In addition, U.S. federal law does not deal separately with CBD and THC and so there is a degree of uncertainty with respect to the legality of CBD-only products in the United States. Due to the fact that TOK's products contain CBD that is derived from industrial hemp grown legally in the United States, while TOK has received a certain degree of comfort on the legality of its products, there remains a degree of uncertainty and therefore the following regulatory considerations have been provided for information.

TREE OF KNOWLEDGE INC.

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The United States Supreme Court has ruled in a number of cases that the federal government does not violate the federal constitution by regulating and criminalizing cannabis, even for medical purposes. Therefore, U.S. federal law criminalizing the use of marijuana pre-empted state laws that legalize its use for medicinal purposes.

In 2013, under the Obama administration, the U.S. Department of Justice acknowledged that certain U.S. states had enacted laws relating to the use of marijuana and outlined the U.S. federal government's enforcement priorities with respect to marijuana. James M. Cole, Deputy Attorney General of the United States issued a memorandum dated August 29, 2013, addressed to "All United States Attorneys" outlining eight priorities for enforcement of marijuana laws, despite the fact that certain states had legalized or decriminalized the use, sale, and manufacture of marijuana. This document is known as the "Cole Memo".

Following the inauguration of President Trump, a Task Force on Crime Reduction and Public Safety was established through an executive order by the President of the United States in February 2017. The Task Force was to deliver its recommendations by July 27, 2017. To date, its recommendations have not been made public. On May 5, 2017, US President Trump approved legislation relating to spending for certain federal agencies which maintained the status quo.

On November 14, 2017, Jeff Sessions, the current Attorney General of the United States stated that the US Federal Government's current policy is the same fundamentally as the Holder-Lynch policy, whereby the states may legalize marijuana for its law enforcement purposes, but it still remains illegal with regard to federal purposes. However, on January 3, 2018, the Attorney General of the United States rescinded the "Cole Memo". The rescission has been interpreted to allow any state attorney general to pursue criminal action against parties which may contravene federal marijuana laws. While the State attorneys in both California and Washington have publicly stated they do not intend to pursue actions against any marijuana companies, any change to this position may cause significant financial damage to the Company and its stockholders, including the potential exposure to criminal liability.

Due to the ambiguity created by the rescission of the Cole Memo and the lack of any references to medical marijuana, there can be no assurance that the federal government will not seek to prosecute cases involving marijuana businesses that are otherwise compliant with state law. The Department of Justice has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property, and has relied on state and local law enforcement to address marijuana activity, however, there is no assurance that this situation will not change and stricter enforcement is implemented. Accordingly, there may be a direct and adverse impact to our business and our revenue and profits.

There is no guarantee that the Trump administration will take further steps regarding the priority of enforcing U.S. federal laws that conflict with state laws. The Trump administration and the Congress could decide to enforce U.S. federal laws vigorously, which may have an adverse impact on our business.

Further, the provisions of Internal Revenue Code section 280E are being applied by the Internal Revenue Service ("IRS") to businesses operating in the medical and adult use marijuana industry. Section 280E of the IRS prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be.

Despite the rescission of the Cole Memo, TOK believes that compliance with the guidance provided in the Cole Memo is prudent for its business and accordingly, the Company does the following:

- ensure the operations of its subsidiaries (or third parties, in the jurisdictions where the Company conducts its business as an ancillary service provider) are compliant with all licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- the Company only works through Licensed Operators, which must pass a range of requirements, adhere to strict business practice standards and be subjected to strict regulatory oversight whereby sufficient checks and balances to ensure that no revenue is distributed to criminal enterprises, gangs and cartels.
- the Company conducts the necessary review of financial records and where appropriate retains professional third-party consultants to do so, to ensure that the cannabis business activity is not used as a cover or pre-text for trafficking of other illegal drugs, is engaged in other illegal activity or any activities that are contrary to any applicable Anti-Money Laundering statutes;
- the Company conducts reviews of activities of the cannabis businesses, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of licensed premises (including the cases where such possession is permitted by regulation, e.g., transfer of products between licensed premises). These activities are done to ensure that no Licensed Operators possess or use cannabis on federal property or engage in manufacturing or cultivation of cannabis on federal lands; and

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- the Company conducts reviews of products and product packaging to ensure that the products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

US State Regulations Overview

Regulations differ significantly amongst the U.S. states. Some U.S. states only permit the cultivation, processing and distribution of marijuana and marijuana-infused products for medical purposes, whereas some also permit the use for adult purposes and retail marijuana-infused products.

The Company intends to implement the procedures necessary to ensure adequate compliance with state requirements on continuous basis, which shall include, but not limited to: real-time financial reporting access, real-time inventory tracking, periodic compliance reports from the operating personnel. The Company will also implement necessary training procedures and guidelines for employee conduct to ensure that the regulatory requirements are exceeded, and the operations are compliant with the requirements of the Cole Memo. The Company will also implement community relations, social responsibility, neighbourhood security and whistleblower procedures to implement the safeguards to deter non-compliance.

The Company operates in a highly regulated industry, which to date remains illegal under U.S. federal law and is new in most U.S. states. There is no certainty that any of the local, state, or federal governments of jurisdictions where the company operates will continue to maintain current regulatory regimes, changes to regulatory regimes could adversely affect the Company's operations. Please see the "*Risk Factors*" section.

CANADIAN REGULATORY OVERVIEW

Canadian Companies with U.S. Marijuana-Related Assets

On October 16, 2017, the Canadian Securities Administrators published Staff Notice 51-352 – Issuers with U.S. Marijuana-Related Activities, which provides specific disclosure expectations for reporting issuers in Canada that currently have, or are in the process of developing, marijuana-related activities in the United States as permitted within a particular state's regulatory framework. All reporting issuers with U.S. marijuana-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other applicable disclosure documents in order to fairly present all material facts, risks and uncertainties about issuers with U.S. marijuana-related activities.

Such disclosure includes, but is not limited to, (i) a description of the nature of a reporting issuer's involvement in the U.S. marijuana industry; (ii) an explanation that marijuana is illegal under U.S. federal law and that the U.S. enforcement approach is subject to change; (iii) a statement about whether and how the reporting issuer's U.S. marijuana-related activities are conducted in a manner consistent with U.S. federal enforcement priorities; and (iv) a discussion of the reporting issuer's ability to access public and private capital, including which financing options are and are not available to support continuing operations. Additional disclosures are required to the extent a reporting issuer is deemed to be directly or indirectly engaged in the U.S. marijuana industry, or deemed to have "ancillary industry involvement", all as further described in the Staff Notice. Public reaction to the notice was generally positive and industry participants welcomed the opportunity to review and provide enhanced disclosure.

Canadian Law

Legal access to dried cannabis for medical purposes was first allowed in Canada in 1999 through Section 56 Exemptions under the Controlled Drugs and Substances Act ("**CDSA**"). The decision of the Court of Appeal for Ontario in 2000 in *R. v. Parker* held that individuals with a medical need had the right to possess cannabis for medical purposes. This led to the implementation of the Medical Marijuana Access Regulations in 2001.

In June 2015, the Supreme Court of Canada decided in *R. v. Smith* that restricting legal access to only dried cannabis was unconstitutional. The Court decided that individuals with a medical need have the right to use and make other cannabis products. To eliminate uncertainty around a legal source of supply of cannabis, in July 2015 the Minister issued Section 56 Exemptions under the CDSA to allow, among other things, Licensed Producers to produce and sell cannabis oil and fresh cannabis in addition to dried cannabis, and to allow authorized users to possess and alter different forms of cannabis.

As a result of a decision by the Federal Court of Canada in February 2016, in *Allard v. Canada*, the Court found that requiring individuals to obtain cannabis only from Licensed Producers violated liberty and security rights protected by section 7 of the Canadian Charter of Rights and Freedoms. The Court found that individuals who require cannabis for medical purposes did not have "reasonable access" under the existing regulatory regime.

TREE OF KNOWLEDGE INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations For the three months ended March 31, 2018 and 2017

On April 20, 2016, the Government of Canada announced its intention to introduce, by the spring of 2017, legislation to legalize the recreational use of cannabis in Canada. On April 13, 2017, the Cannabis Act was introduced. The Cannabis Act provides a licensing and permitting scheme for the production, testing, packaging, labelling, sending, delivery, transportation, sale, possession, and disposal of cannabis, to be implemented by regulations made under the Cannabis Act. If passed, the Cannabis Act is expected to take effect on or before the end of 2018, however there is no assurance that the enactment of the Cannabis Act and the legalization of recreational cannabis use will occur as anticipated or at all.

Health Canada data shows that 201,398 patients in Canada were registered to use medical marijuana by the end June of 2017, establishing a market worth in excess of \$100 million. By 2024, Health Canada estimates that the number of patients using medical marijuana will grow to 450,000, creating a market worth an estimated \$1.3 billion.

EUROPEAN LAW

As reported by the European Industrial Hemp Association (“**EIHA**”), there is no or only a patchwork of CBD regulation in Europe. In contrast to tetrahydrocannabinol (THC), natural CBD is not psychotropic and non-intoxicating. Therefore, the EIHC believes it is just and reasonable that CBD is not covered by the national narcotic acts or drug regulations of the 27 EU Member States (from 28 with the exception of Slovakia) and that CBD is not restricted by any EU legislation. However, regarding CBD-containing hemp extracts, the situation is not as clear as for CBD as a pure substance, because it could also contain THC, which is covered by national narcotics acts in EU Member States.

The Health Products Regulatory Authority of Ireland (the “**HPRA**”) published a report dated January 31, 2017, entitled “*Cannabis for Medical Use – A Scientific Study*”. It defined CBD as: Non-psychotogenic constituent of cannabis, sedative and anti-convulsant properties. CBD does not act via the endocannabinoid system. It was noted that CBD is not controlled under the *Misuse of Drugs Regulations, 1988*, as amended, the major piece of legislation which governs the EU Member States.

BRAZIL LAW

Brazil is an Exceptional Use jurisdiction. Companies can only send those products to patients in Brazil that are registered with Brazilian Health Surveillance Agency (Agência Nacional de Vigilância Sanitária (“**ANVISA**”), the Brazilian governmental authority. ANVISA was created on January 26, 1999, by Law No. 9,782. It is a governmental regulatory agency characterized by its administrative independence, financial autonomy, and the stability of its directors. ANVISA is governed by a Collegiate Board of Directors composed of five members. In the federal public administrative structure, the agency is connected to the Ministry of Health, Brazil, with whom a periodic management contract is signed.

On March 18, 2016, ANVISA enacted a resolution which was published in the country’s Official Gazette on March 21, 2016. The resolution allows the prescription and the import of products containing CBD or THC in their formulation. The authorization to import these products is granted to individuals for their own exclusive use in health care, and the import must meet all the legal provisions including those relating to good manufacturing practices. The patient or a legal guardian must apply to ANVISA (on the proper form) for exceptional authorization to import and use the product. Along with the form, the person must also include the prescription, a medical report, and a statement of responsibility and clarification signed by the physician and the patient or a legal guardian. In addition, the products to be imported must be legally authorized and manufactured in their countries of origin. A patient’s registration is valid for one year and can be renewed, if it is necessary.

The regulatory requirements in Brazil are extremely complex. TOK has been working with consultants, regulatory and medical specialists to meet the requirements. TOK currently has approvals for 3 product lines in Brazil. TOK is working on additional product lines and developing new product lines for the markets in Brazil.

Key Financing Developments

During the year ended December 31, 2017, the Company closed its non-brokered private placement of unsecured convertible debentures for total gross proceeds of \$1,795,000. The rate of interest on the debentures is 8% per annum, payable upon maturity, with a term of 1 year. The notes are subject to a mandatory conversion into shares of common stock at a conversion price of 25% discount to the market price of the Company’s first offering of shares after issuance of the notes.

TREE OF KNOWLEDGE INC.

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For the three months ended March 31, 2018 and 2017

Selected Annual Information

Summarized selected financial information with respect to Tree of Knowledge is as follows:

	Three months ended March 31, 2018 (\$)	Year ended December 31, 2017 (\$)	Year ended December 31, 2016 (\$)
Revenue	160,687	394,081	480,904
Total expenses	(406,985)	(5,752,671)	(1,176,922)
Net loss and comprehensive loss	(349,002)	(5,861,500)	(1,225,788)
Loss per share	(0.01)	(0.32)	(0.10)
Total assets	871,530	656,310	248,518
Total liabilities	1,153,062	958,840	1,674,294
Shareholders' Deficiency	(281,532)	(302,530)	(1,425,776)

Operating results for the three month period ended March 31, 2018 and 2017

For the three month period ended March 31, 2018, the revenue was \$160,687, which increased in comparison to revenue of \$110,647 in the prior period ended 2017. The Company had cost of sales of \$102,446 and \$39,138 respectively for the three month period ended March 31, 2018 and 2017. This translated in gross margin of \$58,241 or 36% and \$71,509 or 65% for the three month period ended March 31, 2018 and 2017 respectively. Revenue was higher in the current quarter as the Company's sales have increased through various channels of revenue in South America and Europe.

For the three month period ended March 31, 2018, total operating expenses were \$406,985 (2017 - \$2,497,672), a decrease of \$2,090,687. The primary reason for the decrease was due to shares issued for services in the prior period whereby 3,713,610 shares were issued or slated to be issued for services provided, contributing to salaries and benefit expenses of \$2,305,929 during the three month period ended March 31, 2017 compared to 50,000 shares issued and related \$193,214 expense during the current three month period ended March 31, 2018.

In addition to the above, the decrease in operating expenses during the three month period ended March 31, 2018 compared to the prior year was largely related to an increase in:

- Professional fees of \$83,639 (2017 - \$34,658) as the Company incurred professional fees in connection with bringing its accounting records up to date as well as legal fees as it works towards a going public transaction,

Operating results for the years ended December 31, 2017 and 2016

For the year ended December 31, 2017, the revenue was \$394,081, which decreased in comparison to revenue of \$480,904, in the prior year ended 2016. The Company had cost of sales of \$256,566 and \$444,300 respectively for the years ended December 31, 2017 and 2016. This translated in gross margin of \$137,515 or 35% and \$36,604 or 8% for the years ended December 31, 2017 and 2016 respectively. Gross margin was lower in the comparable period due to higher start-up costs in the full first year of operations.

For the year ended December 31, 2017, total operating expenses were \$5,752,671 (2016 - \$1,176,922), an increase of \$4,575,749. The primary reason for the increase was due to shares issued for services whereby 7,269,032 shares were issued or slated to be issued for services provided, resulting in an increase in salaries and benefit expenses to \$4,971,862 during the year ended December 31, 2017 compared to 280,000 shares issued and related \$750,453 expense during the comparable year ended December 31, 2016. The shares issued for the year ended December 31, 2017 were primarily issued for business development and consulting services in connection with the Company's investment in the facility in Scarborough, which accounted for 6,169,032 shares issued.

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Management's Discussion and Analysis of Financial Condition and Results of Operations For the three months ended March 31, 2018 and 2017

In addition to the above, the increase in operating expenses during the year ended December 31, 2017 compared to the prior year was largely related to an increase in:

- Professional fees of \$183,550 (2016 - \$32,180) as the Company incurred professional fees in connection with bringing its accounting records up to date as well as legal fees as it works towards a going public transaction,
- Travel and promotion expenses of \$302,569 (2016 - \$64,674), as the Company spent money on various marketing and strategic campaigns to increase its brand awareness and sales.

Selected financial information for the previous quarters as follows:

Quarter ended	Revenues	Net loss and comprehensive loss	Net loss per share
March 31, 2018	\$160,687	\$(349,002)	\$(0.01)
December 31, 2017	\$146,514	\$(464,999)	\$(0.03)
September 30, 2017	\$63,646	\$(958,356)	\$(0.02)
June 30, 2017	\$73,234	\$(1,872,196)	\$(0.13)
March 31, 2017	\$110,687	\$(2,457,120)	\$(0.18)
December 31, 2016	\$217,440	\$(325,251)	\$(0.03)
September 30, 2016	\$154,700	\$(147,832)	\$(0.01)
June 30, 2016	NA	NA	NA

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Company had working capital deficiency of \$779,114 (December 31, 2016 – working capital deficiency of \$655,846), current assets of \$373,948 (December 31, 2017 - \$302,994) and current liabilities of \$1,153,062 (December 31, 2017 - \$958,840). All the Company's financial liabilities and receivables have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash flow used in operating activities in the three month period ended March 31, 2018, increased to \$296,961 from the cash flow used in operation activities of \$209,165 in the prior period. Cash flows used in operating activities are consistent between the two periods, with the increase in cash used due to the increased cash net loss for the period.

Cash flow used in investing activities was \$4,870 for the three month period ended March 31, 2018 compared to the prior year of \$nil. The increase was primarily due to the acquisition of equipment.

Cash generated by financing activities was \$305,791 for the three month period ended March 31, 2018 compared to the prior year of \$226,361. The increase in cash from financing activities is primarily due to shares issued for cash of \$150,000 (2017 - \$nil) out of which \$100,000 (2017 - \$nil) represents cash received for shares issued subsequent to March 31, 2018, as well as the loan proceeds from Courtland Capital of \$78,902 (2017 - \$nil). Cash from financing activities during the comparable period represents mainly \$245,000 in cash received for proceeds of convertible debentures.

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Foreign currency exchange risk

The Company conducts a portion of its purchases in Canadian dollars which results in the foreign currency exchange risk. The Company does not consider its exposure to foreign currency exchange risk to be material.

An increase (decrease) of 10% in the currency exchange rate of the Canadian dollar versus US dollar would have impacted net loss by \$100 (2017 - \$100) as a result of the Company's exposure to currency exchange rate fluctuations.

Interest rate risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. Financial instruments that potentially subject the Company to interest rate risk include financial liabilities with fixed interest rates.

The Company manages interest rate risk by monitoring market conditions and the impact of interest rate fluctuations on its debt.

Net earnings are sensitive to the impact of a change in interest rates on the average balance of interest bearing financial assets during the year.

An increase (decrease) of 25 basis points would have impacted net loss by \$100 (2017 - \$100) because of the Company's exposure to interest rate fluctuations.

Related Party Transactions and Key Management Compensation

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

For the three month period ended March 31, 2018, \$37,500 (2017 - \$37,500) was incurred for salary to Brian Main, President.

For the three month period ended March 31, 2018, \$37,500 (2017 - \$37,500) was incurred for salary to Michael Caridi, Vice-President.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at March 31, 2018, \$76,768 (December 31, 2017 - \$51,521) is included in accounts payable and accrued liabilities.

Various loans were provided to the Company by directors and officers. As at March 31, 2018 \$790,906 (December 31, 2017 - \$698,210) is outstanding. The amount is non-interest bearing, unsecured, without fixed terms of repayment and due on demand.

Subsequent to March 31, 2018, two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining amount to December 31, 2019. The parties agreed to receive 440,082 common shares at a price of \$1.10 per share.

Disclosure of outstanding share data

As at March 31, 2018, the Company had 28,787,507 common shares outstanding. As at June 12, 2018, the Company had 35,435,334 common shares outstanding.

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Subsequent events

Subsequent to March 31, 2018, 488,777 shares were issued to the remaining convertible noteholders in connection with the mandatory conversion clause which was triggered on December 26, 2017 whereby notices were sent to the note holders for the mandatory conversions of their notes.

Subsequent to March 31, 2018, two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining amount to December 31, 2019. The parties agreed to receive 440,082 common shares at a price of \$1.10 per share.

On April 2, 2018, the Company entered into a merger agreement (the "Merger Agreement") in respect of an arm's length agreement where by Courtland Capital Inc. is set to acquire the business of Tree of Knowledge Inc. (the "Transaction") and to change its name to Tree of Knowledge International Corp.

The Transaction is structured as a three-cornered merger whereby Courtland will form a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of Courtland. The Merger Agreement is subject to a number of conditions, including but not limited to: (a) obtaining the necessary shareholder approvals of the TOK shareholders, (b) the continuation of the Company from the laws of British Columbia to the laws of Canada, (c) the acceptance for listing on the Canadian Stock Exchange ("CSE") and the concurrent delisting from the TSX Venture Exchange, (d) as well as approvals of other applicable regulatory authorities.

The annual general and special meeting of the Courtland shareholders was called to be held on May 2, 2018 (the "Meeting"). The delisting of the Courtland common shares from the TSX Venture Exchange will require the approval of a majority of the votes cast at the Meeting by the holders of the common shares, as well as a majority of the votes cast at the Meeting, excluding those votes attached to common shares held by officers and directors of the Company.

In connection with and as a condition of the Transaction, Courtland will consolidate its shares on a 49.16 to 1 basis (the "Consolidation"). There are currently 117,315,775 Courtland Shares outstanding which will result in approximately 2,386,407 post-Consolidation Courtland Shares. TOK shareholders will be issued approximately 64.9 million post Consolidation common shares of Courtland as the 'Resulting Issuer'. The former TOK shareholders will own approximately 88% of the outstanding Courtland shares (undiluted) following completion of the Transaction and including conversion of the Courtland Debentures (as defined below). The Transaction is expected to be accounted for as a reverse take-over.

Courtland has provided funds for working capital to complete the transaction with TOK. The sum of \$100,000 CAD was loaned to TOK pursuant to a secured note bearing interest at 8% per annum and due August 23, 2018. The note is secured by a general security agreement over the assets of TOK. As at March 31, 2018, \$78,902 (December 31, 2017 - \$nil) is owing under the promissory note, representing the US dollar equivalent plus accrued interest.

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On April 10, 2018 the Company entered into an agreement Sustainable Growth Strategic Capital Corp. (“SGSCC”), a private Ontario corporation that has applied to be a Canadian ACMPR Licensed Producer that produces and distributes cannabis. Pursuant to the TOK Acquisition Agreement, SGSCC has agreed to provide TOK with 5,000 square feet of space in its facility located at 633, 645 Coronation Drive, Toronto, Ontario M1E 2K4, and manage the construction of a laboratory and clean work space to TOK’s specifications. In addition TOK will have the option to lease an additional 15,000 square feet for expansion purposes. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the facility in accordance with applicable regulations. As consideration, TOK has issued 1,818,181 common shares of TOK to acquire 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC.

On May 18, 2018, the Company entered into an agreement with NYSK Holdings LLC, (“NYSK”), a licensed manufacturer, distributor, importer and exporter of cannabis, CBD and pharmaceutical based products in the Country of Macedonia (the “Macedonia Agreement”). TOK agreed to acquire a 5% interest in NYSK and its affiliate for an aggregate cost of \$1.5 million, comprised of 909,090 shares issued at a price of \$1.10 and \$500,000 in cash to be paid in two instalments tied to the timing of the Company completing its next financing. The Company will be required to issue additional common shares to NYSK pursuant to a “price protection” provision to the extent that the trading price is not \$1.10 on a date that is four months following the day the common shares are listed. To the extent the cash payments are not made by September 15, 2018, TOK’s interest will be reduced to 3.5%.

Subsequent to March 31, 2018, an aggregate of 236,365 shares were issued pursuant to a private placement to investors at a price of \$1.10 per share for proceeds of \$260,000. Also in May an aggregate of 145,000 shares at a price of \$1.10 were issued to various parties, including as compensation to employees, consultants, and service providers.

Off-Balance Sheet Arrangements

As of March 31, 2018, the Company has no off-balance sheet arrangements.

Critical Accounting Estimates and judgments

The preparation of the Company’s consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of amounts receivable, valuation of deferred income tax amounts, valuation of options, and valuation of warrants and shares issued during private placements and measurement of derivative liability.

The most significant judgments relate to recognition of deferred tax assets and liabilities.

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Risk Factors

There are numerous and various risks, known and unknown, that may prevent the Company from achieving its goals. It is believed that these are the factors that could adversely affect the Company's business, financial condition or results of operation. In such case, the trading price of the Common Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that could be applicable to the business of the Company:

Limited operating history

The Company has a very limited history of operations, is in the early stage of development and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no history of earnings. Because the Company has a limited operating history in emerging area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

Historically the Company has financed its operations through equity and convertible debt financing. While the Company has begun to generate revenues, these revenues are not currently sufficient to support the Company's existing operation or expansion. There is no assurance the Company will be able to maintain the current level of revenue or access further equity. Due to the fact the Company operates a cannabis business certain financing options such as bank financing are not currently available to the Company. If the Company is unable to sustain or grow its revenue and not be able to attract further equity financing, the Company would suffer significant financial damage.

The Company's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Reliance on securing agreements with Licenses Producers

The regulatory framework in most states restricts the Company from obtaining a License to grow, store and sell marijuana products. As such, the Company relies on securing agreements with Licenses Producers in the targeted jurisdictions that have been able to obtain a License with the appropriate regulatory authorities. Failure of a Licensed Producer to comply with the requirements of their License or any failure to maintain their License would have a material adverse impact on the business, financial condition and operating results of the Company. Should the regulatory authorities not grant a License or grant a License on different terms unfavorable to the Licensed Operators, and should the Company be unable to secure alternative Licensed Operators, the business, financial condition and results of the operation of the Company would be materially adversely affected.

If the U.S. federal government changes its approach to the enforcement of laws relating to marijuana, the Company would need to seek to replace those tenants with non-marijuana tenants, who would likely pay lower rents. It is likely that the Company would realize an economic loss on its capital acquisitions and improvements made to its capital assets specific to the marijuana industry, and the Company would likely lose all or substantially all of its investments in the markets affected by such regulatory changes.

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Additional financing

The Company may need to raise significant additional funds in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms, or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders.

Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

Regulation

The activities of the Company are subject to regulation by governmental authorities. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. The Company cannot predict the nature of any future laws, regulations, interpretations, policies or applications, nor can it determine what effect additional governmental regulations or administrative interpretations or procedures, when and if promulgated, could have on the Company's operations.

Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's operations.

Local, state and federal laws and regulations governing marijuana for medicinal and adult use purposes are broad in scope and are subject to evolving interpretations, which could require the Company to incur substantial costs associated with bringing the Company's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt the Company's operations and result in a material adverse effect on its financial performance. It is beyond the Company's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can the Company determine what effect such changes, when and if promulgated, could have on the Company's business.

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U.S. Federal Laws

The business operations of the Company are dependent on state laws pertaining to the marijuana industry. Continued development of the marijuana industry is dependent upon continued legislative authorization of marijuana at the state level. Any number of factors could slow or halt progress in this area. Further, progress, while encouraging, is not assured. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of these factors could slow or halt legal manufacturer and sale of marijuana, which would negatively impact the business of the Company.

The concepts of "medical marijuana" and "retail marijuana" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marijuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, marijuana-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of marijuana are illegal under U.S. federal law. Strict compliance with state laws with respect to marijuana will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company.

As of December 29, 2016, twenty-eight states, the District of Columbia and Guam allow their residents to use medical marijuana. Voters in the states of Colorado, Washington, Oregon, Alaska, California, Nevada, Massachusetts, and Maine have approved and have implemented or are implementing regulations to legalize cannabis for adult use. The state laws are in conflict with the Federal Controlled Substances Act, which makes marijuana use and possession illegal on a national level. The Obama administration has made numerous statements indicating that it is not an efficient use of resources to direct federal law enforcement agencies to prosecute those lawfully abiding by state designated laws allowing the use and distribution of medical marijuana. However, there is no guarantee that the Trump administration will not change the government's stated policy regarding the low-priority enforcement of federal laws and decide to enforce the federal laws to the fullest extent possible. Any such change in the federal government's enforcement of current federal laws could cause significant financial damage to the Company and its stockholders, including the potential exposure to criminal liability.

The constant evolution of laws and regulations affecting the marijuana industry could detrimentally affect the Company's operations. Local, state and federal medical marijuana laws and regulations are broad in scope and subject to changing interpretations. These changes may require the Company to incur substantial costs associated with legal and compliance fees and ultimately require the Company to alter its business plan. Furthermore, violations of these laws, or alleged violations, could disrupt the business of the Company and result in a material adverse effect on operations. In addition, the Company cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to the business of the Company.

Local regulation could change and negatively impact on the Company's operations.

Most US states that permit marijuana for adult use or medical use provide local municipalities with the authority to prevent the establishment of medical or adult use marijuana businesses in their jurisdictions. If local municipalities where the Company or its Licensed Operators have established facilities decides to prohibit marijuana businesses from operating, the Company or its Licensed Operators could be forced to relocate operations at great cost to the Company, and the Company or its Licensed Operators may have to cease operations in such state entirely if alternative facilities cannot be secured.

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The Company is dependent on intellectual property, and failure to protect the rights to use that intellectual property could adversely affect the Company's future growth and success.

The Company's failure to protect its existing intellectual property rights may result in the loss of exclusivity or the right to use the brands and technologies to which the Company has acquired or internally developed. If the Company does not adequately ensure the freedom to use this intellectual property the Company may be subject to damages for infringement or misappropriation, and/or be enjoined from using such intellectual property. In addition, it may be difficult for the Company to enforce certain of its intellectual property rights against third parties who may have inappropriately acquired interests in the Company's intellectual property rights by filing unauthorized trademark applications in foreign countries to register the Company's marks because of their familiarity with our business in the United States. Any potential intellectual property litigation could result in significant expense to the Company, adversely affect the development of sales of the challenged product or intellectual property and divert the efforts of the Company's technical and management personnel, whether or not such litigation is resolved in the favor of the Company. In the event of an adverse outcome in any such litigation, the Company may, among other things, be required to: pay substantial damages; cease the development, manufacture, use, sale or importation of products that infringe upon other patented intellectual property; expend significant resources to develop or acquire non-infringing intellectual property; discontinue processes incorporating infringing technology; or obtain licenses to the infringing intellectual property.

Regulation that may hinder the Company's ability to establish and maintain bank accounts

The U.S. federal prohibitions on the sale of marijuana may result in Licensed Operators being restricted from accessing the U.S. banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. While the Company does not anticipate dealing with banking restrictions directly relating to its business, banking restrictions could nevertheless be imposed due to the Company's banking institutions not accepting payments from Licensed Operators. Licensed Operators at times do not have deposit services and are at risk that any bank accounts they have could be closed at any time. Such risks increase costs to the Company and Licensed Operators. Additionally, similar risks are associated with large amounts of cash at these businesses. These businesses require heavy security with respect to holding and transport of cash, whether or not they have bank accounts.

In the event that financial service providers do not accept accounts or transactions related to the marijuana industry, it is possible that Licensed Operators may seek alternative payment solutions, including but not limited to crypto currencies such as Bitcoin. There are risks inherent in crypto currencies, most notably its volatility and security issues. If the industry was to move towards alternative payment solutions and accept payments in crypto currency the Company would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. The Company's inability to manage such risks may adversely affect the Company's operations and financial performance.

Product liability, operational risk

As a licensing company (in the case of the Company) and a manufacturer and distributor of products (in the case of the Licensed Operators) designed to be ingested by humans, the Licensed Operators and the Company face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of marijuana-infused products based on the Company's recipes and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's and the Licensed Operator's products alone or in combination with other medications or substances could occur.

Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by the Company and sold by Licensed Operators are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. In addition, a product recall may require significant management attention and could harm the image of the brand and Company.

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Uninsurable risks

The medical and retail marijuana business is subject to several risks that could result in damage to or destruction of properties or facilities or cause personal injury or death, environmental damage, delays in production and monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not currently have any insurance policies covering its properties or the operation of its business and any liabilities that may arise as a result any of the above noted risks may cause a material adverse effect on the financial condition of the Company.

Taxes

U.S. federal prohibitions on the sale of marijuana may result in the Company not being able to deduct certain costs from its revenue for U.S. federal taxation purposes if the U.S. Internal Revenue Service determines that revenue sources of the Company are generated from activities which are not permitted under U.S. federal law.

Illegal drug dealer could pose threats

Currently, there are many drug dealers and cartels that cultivate, buy, sell and trade marijuana in the United States, Canada and worldwide. Many of these dealers and cartels are violent and dangerous, well financed and well organized. It is possible that these dealers and cartels could feel threatened by legalized marijuana businesses such as those with whom the Company does business and could take action against or threaten the Company, its principals, employees and/or agents and this could negatively impact the Company and its business.

Reliance on management

The success of the Company is currently dependent on the performance of its senior management. The loss of the services of these persons would have a material adverse effect on the Company's business and prospects in the short term. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Factors which may prevent realization of growth targets

The Company is currently in the early development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Company and its Licensed Operators:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

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Risks associated with increasing competition

The marijuana industry is highly competitive. The Company will compete with numerous other businesses in the medicinal and adult use industry, many of which possess greater financial and marketing resources and other resources than the Company. The marijuana business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labour, and governmental regulations. Any change in these factors could materially and adversely affect the Company's operations.

The Company expects to face additional competition from new entrants. If the number of legal users of marijuana in its target jurisdiction increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products.

The products provided by the Company to Licensed Operators may become subject to regulation governing food and related products

Should the Federal government legalize marijuana for medical or adult use nation-wide, it is possible that the U.S. Food and Drug Administration ("FDA") would seek to regulate the products under the Food, Drug and Cosmetics Act of 1938. The FDA may issue rules and regulations including certified good manufacturing practices related to the growth, cultivation, harvesting and processing of medical marijuana and marijuana-infused products. Clinical trials may be needed to verify efficacy and safety of the medical marijuana. It is also possible that the FDA would require that facilities where medical marijuana is cultivated be registered with the applicable government agencies and comply with certain federal regulations. In the event, any of these regulations are imposed, the Company cannot foresee the impact on its operations and economics. If the Company or the Licensed Operators are unable to comply with the regulations and or registration as prescribed by the FDA or another federal agency, the Company or the Royalty Producer may be unable to continue to operate in its current form or at all.

Environmental and employee health and safety regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Difficult to forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the marijuana industry in Canada and the U.S. A failure in the demand for its products to materialize as a result of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

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Dividends

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Non-compliance with federal, provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect the Company's business.

The activities of the Company are subject to regulation by governmental authorities. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Business, results of operations and financial condition of the Company.

While oil derived from industrial hemp stalk that has naturally occurring THC content equal to or less than 0.3% is excluded from the definition of marijuana under the CSA, there is no certainty that this exclusion could not be altered by court or governmental action or re-interpretation. There is no certainty that the United States Food and Drug Administration ("FDA") will not regulate the use of hemp oil as a drug and prohibit use as a dietary ingredient. There is no certainty that hemp oil will be considered a grandfathered dietary ingredient under the Dietary Supplement Health and Education Act of 1994 ("DSHEA"), or would otherwise be permitted for use under the DSHEA. The FDA has taken steps to pursue companies that manufacture hemp-infused products that make health and medical claims about their products, and may take steps to pursue companies that manufacture marijuana products. This may include Licensed Operators, which would adversely affect the Company's financial performance.

Scientific research related to the benefits of marijuana remains in early stages, is subject to a number of important assumptions and may prove to be inaccurate.

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids remains in early stages. To the Company's knowledge, there have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids. Any statements concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, any statements made herein are subject to the experimental parameters, qualifications, assumptions and limitations in the studies that have been completed.

Although the Company believes that the articles and reports, and details of research studies and clinical trials that are publicly available reasonably support its beliefs regarding the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding and perceptions relating to cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this prospectus or reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could materially impact the Company.

Negative publicity or consumer perception may affect the success of our business.

The success of the marijuana industry may be significantly influenced by the public's perception of marijuana. Both the medical and recreational use of marijuana are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to marijuana will be favourable. The marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical and recreational marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion (whether or not accurate or with merit) relating to the consumption of marijuana, whether in Canada, the United States or elsewhere, may have a material adverse effect on our operational results, consumer base and financial results. Among other things, such a shift in public opinion could cause state jurisdictions to abandon

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initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Company could identify potential acquisition opportunities.

Certain events or developments in the cannabis industry more generally may impact the Company's reputation.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Cannabis has often been associated with various other narcotics, violence and criminal activities, the risk of which is that our business might attract negative publicity. There is also risk that the action(s) of other participants, companies and service providers in the cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the reputation of the Company. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not and the cannabis industry in general, whether true or not. The Company does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its business strategy and realize on its growth prospects, thereby having a material adverse impact on the Company.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the three month period ended March 31, 2018, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at March 31, 2018 covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

TREE OF KNOWLEDGE INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations
For the three months ended March 31, 2018 and 2017

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include, without limitation: the intention to complete the listing; the description of the Company that assumes completion of the listing of its Common Shares; the intention to grow the business and operations of the Company; anticipated timing for the ability of the Company to agree to terms of royalty agreements with Licensed Operators; expected growth in the number of users of Medical Marijuana in Canada; the risk of foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained herein are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited interim condensed consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements with management. The Board of Directors has approved the unaudited interim condensed consolidated financial statements on the recommendation of the Audit Committee.

Tree of Knowledge Inc.

Consolidated Financial Statements

For the years ended December 31, 2017 and 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Tree of Knowledge, Inc.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Tree of Knowledge, Inc., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2017 and 2016, and a summary of significant accounting policies and other explanatory information.

Auditor Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance the consolidated financial statements are free of material misstatement. Canadian generally accepted auditing standards require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tree of Knowledge, Inc. as at December 31, 2017 and 2016, and its financial performance and cash flows for the periods then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred cumulative operating losses since inception and has limited financial resources with which to achieve its objectives and attain profitability and positive cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 of the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Fruci & Associates II, PLLC

Fruci & Associates II, PLLC

We have served as the Company's auditor since 2015.

Spokane, Washington
April 30, 2018

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Tree of Knowledge Inc., are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Brian Main”, Director
Brian Main

“Michael Caridi”, Director
Michael Caridi

Tree of Knowledge Inc.

Consolidated Statements of Financial Position
(Expressed in US Dollars)

As at,	December 31, 2017	December 31, 2016
Assets		
Current		
Cash	\$ 21,947	\$ 14,063
Trade and other receivables, net (Note 4)	29,774	6,735
Demand loan (Note 6)	-	3,299
Inventory (Note 5)	251,273	105,711
Current assets	302,994	129,808
Equipment (Note 7)	353,316	118,710
Total assets	\$ 656,310	\$ 248,518
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 8 & 10)	\$ 244,823	\$ 392,620
Commercial loans (Note 9)	15,807	168,268
Shareholder loans (Note 10)	698,210	684,500
Convertible debentures (Note 15)	-	428,906
Total liabilities	958,840	1,674,294
Shareholders' Deficiency		
Share capital (Note 11)	6,031,061	1,489,641
Shares to be issued (Note 11)	2,476,503	6,000
Contributed surplus (Note 12)	-	27,177
Accumulated deficit	(8,810,094)	(2,948,594)
Total shareholders' deficiency	(302,530)	(1,425,776)
Total liabilities and shareholders' deficiency	\$ 656,310	\$ 248,518

Nature of Operations and Going concern (Note 1)
Subsequent Events (Note 17)

Approved on behalf of the Board:

"Brian Main" Director

"Michael Caridi" Director

The accompanying notes are an integral part of these consolidated financial statements

Tree of Knowledge Inc.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in US Dollars)

	Year ended December 31, 2017	Year ended December 31, 2016
Revenue	\$ 394,081	\$ 480,904
Cost of sales	(256,566)	(444,300)
Gross margin	137,515	36,604
Operating expenses		
Salaries and benefits <i>(Note 10)</i>	4,971,862	750,453
Office and general	228,877	291,474
Depreciation <i>(Note 7)</i>	65,813	38,141
Professional fees <i>(Note 10)</i>	183,550	32,180
Travel and promotion	302,569	64,674
Total expenses	(5,752,671)	(1,176,922)
Net loss before the following items	(5,615,156)	(1,140,318)
Accretion on convertible debentures	(126,380)	(18,118)
Interest on convertible debentures	(99,039)	(30,964)
Interest on commercial loans	(20,925)	(36,388)
Net loss and comprehensive loss	\$ (5,861,500)	\$ (1,225,788)
Loss per share – basic and diluted	\$ (0.32)	\$ (0.10)
Weighted average number of shares outstanding – basic and diluted	18,357,017	12,439,216

The accompanying notes are an integral part of these consolidated financial statements

Tree of Knowledge Inc.

Consolidated Statement of Changes in Shareholders' Equity

(Expressed in US Dollars)

	Share Capital					Total
	Number of Shares	Amount	Contributed Surplus	Shares to be Issued	Accumulated Deficit	
Balance at December 31, 2015	12,177,851	\$ 1,321,591	\$ 27,177	\$ 3,000	\$ (1,722,806)	\$ (371,038)
Founders shares issued	50,000	50	-	-	-	50
Shares issued for services	280,000	168,000	-	3,000	-	171,000
Total loss and comprehensive loss for the year	-	-	-	-	(1,225,788)	(1,225,788)
Balance at December 31, 2016	12,507,851	\$ 1,489,641	\$ 27,177	\$ 6,000	\$ (2,948,594)	\$ (1,425,776)
Shares issued for services – from shares to be issued	6,000,000	180,000	-	(6,000)	-	174,000
Shares issued for services	7,269,032	4,361,420	-	-	-	4,361,420
Conversion component of convertible debentures	-	-	126,380	-	-	126,380
Conversion of convertible debentures	-	-	(153,557)	2,476,503	-	2,322,946
Total loss and comprehensive loss for the year	-	-	-	-	(5,861,500)	(5,861,500)
Balance at December 31, 2017	25,776,883	\$ 6,031,061	\$ -	\$ 2,476,503	\$ (8,810,094)	\$ (302,530)

The accompanying notes are an integral part of these consolidated financial statements

Tree of Knowledge Inc.
Consolidated Statements of Cash Flows
(Expressed in US Dollars)

	Year ended December 31, 2017	Year ended December 31, 2016
OPERATING ACTIVITIES		
Net Loss	\$ (5,861,500)	\$ (1,225,788)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	65,813	38,141
Shares issued for services	4,535,420	171,050
Accretion on convertible debentures	126,380	18,118
Net change in non-cash working capital :		
Trade and other receivables	(23,039)	765
Note receivable	3,299	11,110
Inventory	(145,562)	(78,106)
Prepaid expenses	-	30,339
Accounts payable and accrued liabilities	(147,796)	338,174
Cash Flow Used in Operating Activities	(1,446,985)	(696,197)
INVESTING ACTIVITIES		
Purchase of equipment	(300,419)	-
Cash Flow From Financing Activities	(300,419)	-
FINANCING ACTIVITIES		
Shareholder loans (repayments)	13,710	530,901
Proceeds from convertible debentures	1,795,000	-
Repayment of commercial loans	(354,061)	-
Proceeds from commercial loans	201,600	141,242
Interest on convertible debentures	99,039	31,249
Cash Flow From Financing Activities	1,755,288	703,392
Net increase in cash	\$ 7,884	\$ 7,195
Cash at beginning of year	14,063	6,868
Cash at end of year	\$ 21,947	\$ 14,063

The accompanying notes are an integral part of these consolidated financial statements

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(expressed in US Dollars)

1. Nature of Operations and Going Concern

Tree of Knowledge Inc. (the "Company") was incorporated on April 21, 2015 in the State of Nevada. The Company, through its wholly owned subsidiary Tree of Kindness, Inc., is a producer and distributor of hemp-based cannabidiol ("CBD") products, which includes premium hemp-derived CBD oil, tinctures, capsules and vape pens. The address of the Company's registered office is 306, 2nd Avenue, Pasco, Washington, 99301, United States.

These consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company has a net loss for the year ended December 31, 2017 of \$5,861,500 (2016 - \$1,225,788) and negative cash flows from operating activities of \$1,446,985 (2016 - \$696,197 negative cash flow). In addition, as at December 31, 2017 the Company has an accumulated deficit of \$8,810,094 (December 31, 2016 - \$2,948,594) and a working capital deficiency of \$655,846 (December 31, 2016 - \$1,544,486 working capital deficiency). These conditions indicate the existence of material uncertainties which cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations and/or restructure the existing debt and payables. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

2. Basis of Presentation

2.1 Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the years ended December 31, 2017 and 2016.

These consolidated financial statements were authorized by the Board of Directors of the Company on April 30, 2018, however, the entity's owners have the power to amend financial statements after issue.

2.2 Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in US dollars, which is also the Company's functional currency, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(expressed in US Dollars)

2. Basis of Presentation (continued)

2.3 Adoption of new and revised standards and interpretations

New standards and interpretations to be adopted in future periods

- In July 2014, the IASB issued IFRS 9, *Financial Instruments* (“IFRS 9”) to replace IAS 39 *Financial Instruments: Recognition and Measurement* (“IAS 39”). Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristic of their cash flows. In addition, under IFRS 9 for financial liabilities measured at fair value, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income, with the remainder of the changes recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Company does not expect a material impact of IFRS 9 on its consolidated financial statements.
- In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”). IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity’s first annual IFRS financial statements for periods beginning on or after January 1, 2018. Application of the standard is mandatory and early adoption is permitted. The Company intends to adopt the standard on its effective date the impact on its consolidated financial statements is considered not to be material.
- In 2016, the IASB issued IFRS 16, *Leases* (“IFRS 16”), replacing IAS 17, *Leases* and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15 has been adopted. The Company has not yet determined the impact of the amendments on the Company’s consolidated financial statements.

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(expressed in US Dollars)

3. Summary of Significant Accounting Policies

3.1 Basis of consolidation

The consolidated financial statements are prepared by consolidating the financial statements of the Company and its wholly-owned subsidiaries; Tree of Kindness, Inc., a Nevada corporation, and EVR-CBD, Inc., a Washington state corporation.

These consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. In preparing these consolidated financial statements, all inter-company balances and transactions between entities in the Company, including any unrealized profits or losses, have been eliminated.

3.2 Share based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically measured, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date and reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(expressed in US Dollars)

3. Summary of Significant Accounting Policies (continued)

3.3 Loss per share

Basic loss per share is calculated using the weighted number of shares outstanding. Diluted loss per share is calculated using the weighted average number of common and potential common shares outstanding during the period. In order to determine diluted loss per share, it is assumed that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share. Total shares issuable from warrants were excluded from the computation of diluted loss per share because they were anti-dilutive for the year ended December 31, 2017 and 2016.

3.4 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax (continued)

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(expressed in US Dollars)

3. Summary of Significant Accounting Policies (continued)

3.4 Taxation (continued)

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(expressed in US Dollars)

3. Summary of Significant Accounting Policies (continued)

3.5 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company's other receivables and loan receivable are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2017 and 2016 the Company has not classified any financial assets as available-for-sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3.6 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2017 and 2016 the Company has not classified any financial liabilities as FVTPL.

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2017 and 2016
(expressed in US Dollars)

3. Summary of Significant Accounting Policies (continued)

3.7 Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

3.8 Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Tree of Knowledge Inc.
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3. Summary of Significant Accounting Policies (continued)

3.8 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss and the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount.

3.9 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.10 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.11 Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of receivables, valuation of deferred income tax amounts, and valuation of shares issued during private placements.

The most significant judgements relate to recognition of deferred tax assets and liabilities.

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3. Summary of Significant Accounting Policies (continued)

3.12 Revenue recognition

The Company derives its revenues from the sale of hemp-based CBD products, which includes premium hemp-derived CBD oil, tinctures, capsules and vape pens.

The Company recognizes revenue when all of the following conditions are met:

- there is persuasive evidence of an arrangement;
- the risk and rewards of ownership has been transferred to the customer;
- the collection of fees is reasonably assured; and
- the amount of fees to be paid by the customer is fixed or determinable.

The Company's arrangements do not contain general rights of return.

Product and service elements that have been prepaid but do not yet qualify for recognition as revenue under the Company's revenue recognition policy are reflected as unearned revenue on the Company's statement of financial position.

3.13 Property, plant and equipment

Property, plant and equipment ("PPE") are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the declining balance method or unit-of-production method over the following expected useful lives:

• Equipment	2 - 7 years
• Computer	5 years

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of comprehensive loss.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

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4. Trade and Other Receivables, net

The Company's trade and other receivables are as follows:

	As at,	
	December 31, 2017 \$	December 31, 2016 \$
Trade receivable	29,774	6,735
Total trade and other receivables, net	29,774	6,735

As at December 31, 2017, the total trade receivable is \$36,214 and a provision for non-collection of \$6,440 has been recorded.

As at December 31, 2017, the Company anticipates full recovery of the \$29,774 (December 31, 2016 - \$6,735) in receivables and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 14. The Company holds no collateral for any receivable amounts outstanding as at December 31, 2017 and 2016.

As part of the security interest on the loan described in note 9, the Company assigned the trade receivable as security against the loan.

5. Inventory

Inventory consists of CBD oil and packaging equipment. Cost represents the delivered price of the item. The following is a breakdown of items in inventory:

	December 31, 2017 \$	December 31, 2016 \$
Raw materials	100,720	59,981
Finished goods	150,553	45,730
Total Inventory	251,273	105,711

The Company records inventory based on the first in, first out method. As at December 31, 2016, the Company's inventory was pledged as collateral against a note held by a lender. The note was fully repaid as at December 31, 2017.

6. Demand Loan

On September 24, 2015, the Company loaned \$15,000 to a related party. The loan is non-interest bearing, unsecured, without fixed terms of repayment and due on demand. As of December 31, 2017, \$nil (December 31, 2016 - \$3,299) is receivable under the loan.

Tree of Knowledge Inc.
Notes to the Consolidated Financial Statements
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7. Equipment

	Buildings	Equipment	Total
	\$	\$	\$
Cost			
As at December 31, 2015	47,560	127,063	174,623
Additions	-	-	-
As at December 31, 2016	47,560	127,063	174,623
Additions	131,907	168,512	300,419
As at December 31, 2017	179,467	295,575	475,042
Accumulated depreciation			
As at December 31, 2015	4,456	13,316	17,772
Additions	7,639	30,502	38,141
As at December 31, 2016	12,095	43,818	55,913
Additions	19,905	45,908	65,813
As at December 31, 2017	32,000	89,726	121,726
Net book value			
As at December 31, 2015	43,104	113,747	156,851
As at December 31, 2016	35,465	83,245	118,710
As at December 31, 2017	147,467	205,849	353,316

The Company's CO₂ extraction machine, carrying value of \$95,905 (December 31, 2016 - \$66,342) at December 31, 2017, is pledged as collateral against a note held by a lender. The fair value approximates the carrying value. This note was repaid in February 2017 and replaced by a similar collateral pledge loan, see Note 9 for details.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities. The usual credit period taken for purchases is between 30 to 90 days.

The following is a breakdown of accounts payable and accrued liabilities:

	December 31,	As at,
	2017	December 31,
		2016
Trade payables	\$ 159,527	\$ 332,287
Payroll related liabilities	31,296	41,333
Accrued liabilities	54,000	19,000
Total accounts payable and accrued liabilities	\$ 244,823	\$ 392,620

Tree of Knowledge Inc.
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9. Commercial Loans

Greenhawk Loan:

On January 28, 2016, the Company entered into a line of credit agreement with Greenhawk I, LLC ("Greenhawk"), a Washington limited liability company, whereby Greenhawk made a 12-month commercial loan to the Company in the amount of \$300,000 in the form of a revolving line of credit (the "Line of Credit").

In order to secure the loan, Greenhawk took a security interest in the Company's equipment (a CO₂ extraction machine), and assignments of the Company's accounts receivable and the CBD extract purchased with the proceeds lent under the Line of Credit, together with certain personal guarantees.

The Line of Credit carries an interest rate of 12% per year on the amount borrowed. The Company is required to make monthly, interest-only payments. At closing, the following was paid from the loaned funds:

1. 7 origination points (\$21,000);
2. Loan Service Fee of \$3,600 (\$300 per month);
3. Due Diligence Fee of \$2,500; and
4. Legal Document Preparation Fee of \$7,500 (estimated).

During the term of the loan, the Company is required to maintain fire and casualty insurance on the equipment and products, naming Greenhawk as the Loss Payable Beneficiary, and Greenhawk will receive half of the net profit from the production/sale of the product purchased by the Company from the proceeds of the Line of Credit.

In February 2017, the loan was fully repaid and as at December 31, 2017, the amount outstanding under the Line of Credit was \$nil (December 31, 2016 - \$168,268).

Frontier Mutual Loan:

On February 1, 2017, the Company entered into a revolving promissory note agreement with Frontier Mutual, LLC ("Frontier"), a Washington limited liability company, whereby Frontier made a 12-month commercial loan to the Company in the amount of \$175,000 in the form of a revolving promissory note (the "Promissory Note").

In order to secure the loan, Frontier took a security interest in the Company's equipment (a CO₂ extraction machine), and assignments of the Company's accounts receivable and the CBD extract, together with certain personal guarantees.

The Promissory Note carries an interest rate of 18% per year on the amount borrowed. The Company is required to make monthly interest and principal payments. At closing, the following was paid from the loaned funds:

1. 5 origination points (\$8,750);
2. Loan Service Fee of \$1,200 (\$100 per month);
3. Due Diligence Fee of \$1,000; and
4. Legal Document Preparation Fee of \$1,000.

During the term of the loan, the Company is required to maintain fire and casualty insurance on the equipment and products, naming Frontier as the Loss Payable Beneficiary. The monthly payment of \$16,044 is due on the 1st of each month. A penalty of \$5,000 will be charged for late payments.

As at December 31, 2017, the amount outstanding under the Promissory Note was \$15,807 (December 31, 2016 - \$nil).

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10. Related Parties and Key Management

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

For the year ended December 31, 2017, \$150,000 (year ended December 31, 2016 - \$173,465) was incurred for salary to Brian Main, President.

For the year ended December 31, 2017, \$150,000 (year ended December 31, 2016 - \$150,000) was incurred for salary to Michael Caridi, Vice-President.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at December 31, 2017, \$51,521 (December 31, 2016 - \$37,614) is included in accounts payable and accrued liabilities.

As at December 31, 2017, nil shares with a value of \$nil (December 31, 2016 – 3,000,000 shares with value of \$6,000) are due to the President and Vice-President and are included under shares to be issued.

As at December 31, 2017, convertible debentures with principal balance of \$nil (December 31, 2016 - \$239,000) as well as accrued interest of \$nil (December 31, 2016 - \$30,555) for a total of \$nil (December 31, 2016 - \$243,251) is owing to a Company controlled by a related party.

During the years ended December 31, 2017, 2016 and 2015, various loans were provided to the Company by directors and officers. As at December 31, 2017 \$698,210 (December 31, 2016 - \$684,500) is outstanding. The amount is non-interest bearing, unsecured, without fixed terms of repayment and due on demand.

11. Share Capital

The Company is authorized to issue 100,000,000 shares of common stock with a par value of \$0.001 and 5,000,000 shares of preferred stock with a par value of \$0.001.

The issued and outstanding common stock consists of the following:

	Number	Amount (\$)
Balance at December 31, 2015	12,177,851	1,321,591
Founder shares	50,000	50
Issued for non-cash consideration:		
Shares issued for services	280,000	168,000
Balance at December 31, 2016	12,507,851	1,489,641
Issued for non-cash consideration:		
Shares issued for services – from shares to be issued	6,000,000	180,000
Shares issued for services	7,269,032	4,361,420
Balance at December 31, 2017	25,776,883	6,031,061

Shares to be Issued:

As at December 31, 2017, shares with value of \$2,476,503 (December 31, 2016 - \$6,000) have been recorded as shares to be issued in connection with 3,249,535 shares (December 31, 2016 – 6,000,000) due to convertible debtholders on conversion of convertible debentures which occurred on December 26, 2017 (2016 - officers and consultants of the Company for services provided).

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12. Contributed Surplus

A summary of the changes in the Company's contributed surplus reserve for the year ended December 31, 2017 2016, is as follows:

	Amount
	\$
Balance – April 21, 2015 (date of incorporation)	-
Conversion component of convertible notes	27,177
Balance – December 31, 2015 and 2016	27,177
Conversion component of convertible notes	126,380
Conversion of convertible notes to shares	(153,557)
Balance – December 31, 2017	-

13. Management of Capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2017. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock and deficit, which as at December 31, 2017 totaled \$(302,530) (December 31, 2016 - \$(1,425,776)).

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

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14. Financial Instruments

Fair Value of Financial Instruments

The fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company designated its cash as fair value through profit and loss, which is measured at fair value and is classified as Level 1.

The carrying value of the Company's cash, loan receivable, accounts payable and accrued liabilities, line of credit and convertible debentures approximate their fair value due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the majority of the Company's cash is in a major US bank in general interest bearing accounts.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had current assets of \$302,994 (December 31, 2016 - \$129,808) and current liabilities of \$958,840 (December 31, 2016 - \$1,674,294). All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. As at December 31, 2017, working capital deficiency of the Company is \$655,846 (December 31, 2016 - \$1,544,486).

Tree of Knowledge Inc.
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15. Convertible Notes

Activity during the year ended December 31, 2017:

During the year ended December 31, 2017, the Company closed its non-brokered private placement of unsecured convertible debentures for total gross proceeds of \$1,795,000. The rate of interest on the debentures is 8% per annum, payable upon maturity, with a term of 1 year. The notes are subject to a mandatory conversion into shares of common stock at a conversion price of 25% discount to the market price of the Company's first offering of shares after issuance of the notes.

Activity during the year ended December 31, 2016:

During the year ended December 31, 2016, there were no issuances of convertible notes.

Activity during the year ended December 31, 2015:

During the year ended December 31, 2015, the Company closed its non-brokered private placement of unsecured convertible debentures for total gross proceeds of \$386,000. The rate of interest on the debentures is 8% per annum, payable upon maturity, with a term of 1 year. The notes are subject to a mandatory conversion into shares of common stock at a conversion price of 25% discount to the market price of the Company's first offering of shares after issuance of the notes.

Outstanding balance:

On December 26, 2017, the mandatory conversion clause was triggered and notices have been sent to the note holders for the mandatory conversions of their notes. As a result, 3,249,535 shares are issuable on conversion of interest and principal in the amount of \$2,476,503 which are recorded as shares to be issued as at December 31, 2017. The shares were issued subsequent to year end.

As at December 31, 2017, the principal balance of \$nil (December 31, 2016 - \$386,000) as well as accrued interest of \$nil (December 31, 2016 - \$42,906) less the unamortized portion of the convertible component and transaction costs of \$nil (December 31, 2016 - \$nil) for a total of \$nil (December 31, 2016 - \$428,906) is due on demand.

Interest accretion expense during the year ended December 31, 2017 amounted to \$126,380 (year ended December 31, 2016 - \$18,118).

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16. Income Taxes

No deferred tax asset has been recognized because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for US income tax purposes of approximately \$8,842,094 (2016 - \$2,948,594) which will begin to expire in 2037 (2016 - 2036).

The following table reconciles the income tax provision from the expected amount based on statutory rates to the amount reported:

	December 31, 2017	December 31, 2016
Loss before income taxes	\$ (5,861,500)	\$ (1,225,788)
Tax rate	21%	21%
Calculated income tax recovery	(1,231,000)	(257,000)
Change in deferred taxes not recognized	1,231,000	257,000
Income tax expense	\$ -	\$ -

The tax effects of temporary differences that give rise to future income tax assets and liabilities are as follows:

	December 31, 2017	December 31, 2016
Deferred income tax assets		
Non-capital loss carry forwards	\$ 1,850,000	\$ 619,000
	1,850,000	619,000
Less: Deferred taxes not recognized	(1,850,000)	(619,000)
	\$ -	\$ -

The Company is in the process of determining whether or not Section 280E of the tax code will apply to the Company. Should this be the case, there will be an affect upon the Company's tax position.

On December 22, 2017, the Tax Cut and Jobs Act of 2017 (the "Act") was signed into law making significant changes to the Internal Revenue Code. These changes include, but are not limited to, a top corporate tax rate decrease from 35% to 21% for years beginning after December 31, 2017, the transition to U.S. international taxation from a worldwide tax system to a territorial system, and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017. The Company has measured its gross deferred tax assets at the applicable tax rate of 21% in accordance with the Tax Cuts and Jobs Act of 2017, though all benefits have currently and previously been reserved in the valuation allowance.

We are subject to taxation in the U.S. and the state of Washington. Further, the Company currently has no open tax years' subject to audit prior to December 31, 2015. The Company is current on its tax returns.

Tree of Knowledge Inc.
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17. Subsequent events

Subsequent to December 31, 2017, 2,765,170 shares were issued to convertible noteholders in connection with the mandatory conversion clause which was triggered on December 26, 2017 whereby notices were sent to the note holders for the mandatory conversions of their notes.

On April 2, 2018, the Company entered into a merger agreement (the "Merger Agreement") in respect of an arm's length agreement where by Courtland Capital Inc. is set to acquire the business of Tree of Knowledge Inc. (the "Transaction") and to change its name to Tree of Knowledge International Corp.

The Transaction is structured as a three-cornered merger whereby Courtland will form a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of Courtland. The Merger Agreement is subject to a number of conditions, including but not limited to: (a) obtaining the necessary shareholder approvals of the TOK shareholders, (b) the continuation of the Company from the laws of British Columbia to the laws of Canada, (c) the acceptance for listing on the Canadian Stock Exchange ("CSE") and the concurrent delisting from the TSX Venture Exchange, (d) as well as approvals of other applicable regulatory authorities.

The annual general and special meeting of the Courtland shareholders has been called to be held on May 2, 2018 (the "Meeting"). The delisting of the Courtland common shares from the TSX Venture Exchange will require the approval of a majority of the votes cast at the Meeting by the holders of the common shares, as well as a majority of the votes cast at the Meeting, excluding those votes attached to common shares held by officers and directors of the Company.

In connection with and as a condition of the Transaction, Courtland will consolidate its shares on a 49.16 to 1 basis (the "Consolidation"). There are currently 117,315,775 Courtland Shares outstanding which will result in approximately 2,386,407 post-Consolidation Courtland Shares. TOK shareholders will be issued approximately 64.9 million post Consolidation common shares of Courtland as the 'Resulting Issuer'. The former TOK shareholders will own approximately 88% of the outstanding Courtland shares (undiluted) following completion of the Transaction and including conversion of the Courtland Debentures (as defined below). The Transaction is expected to be accounted for as a reverse take-over.

On April 10, 2018 the Company entered into an agreement Sustainable Growth Strategic Capital Corp. ("SGSCC"), a private Ontario corporation, that has applied to be a Canadian ACMPR Licensed Producer that produces and distributes cannabis. Pursuant to the TOK Acquisition Agreement, SGSCC has agreed to provide TOK with 5,000 square feet of space in its facility located at 633, 645 Coronation Drive, Toronto, Ontario M1E 2K4, and manage the construction of a laboratory and clean work space to TOK's specifications. In addition TOK will have the option to lease an additional 15,000 square feet for expansion purposes. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the facility in accordance with applicable regulations. As consideration, TOK has issued 1,818,181 common shares of TOK to acquire 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC.

APPENDIX E
TREE OF KNOWLEDGE ANNUAL & INTERIM MD&A

TREE OF KNOWLEDGE INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations For the three months ended March 31, 2018 and 2017

The following Management's Discussion and Analysis ("MD&A") comments on the unaudited condensed consolidated interim financial condition and results of operations of Tree of Knowledge Inc. for the three months ended March 31, 2018. All data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with Tree of Knowledge Inc.'s unaudited condensed consolidated interim financial statements for the three months ended March 31, 2018 (the "financial statements") and the annual audited consolidated financial statements for the year ended December 31, 2017 and 2016. All figures are in United States dollars unless stated otherwise.

Unless the context otherwise requires, all references to "Tree of Knowledge", "TOK", "Company", "our", "us", and "we" refers to Tree of Knowledge Inc., and shall include the Company's subsidiary as the context requires.

The effective date of this MD&A is May 30, 2018. All amounts are presented in United States dollars, unless otherwise noted.

This discussion contains forward-looking statements that are historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Tree of Knowledge's future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

GOING CONCERN ASSUMPTION

The financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. As at March 31, 2018, the Company had a working capital deficiency of \$779,114 (December 31, 2017 - \$655,846) and an accumulated deficit of \$9,324,096 (December 31, 2017 - \$8,810,094). The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations and/or restructure the existing debt and payables. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

OVERVIEW

Description of Business

Tree of Knowledge is a private company incorporated on April 21, 2015 in the State of Nevada. The address of the Company's head office is currently located at 1119 W. 1st Avenue, Spokane, WA 99201, and its registered office is 306, 2nd Avenue, Pasco, WA 99301, United States. TOK has six subsidiaries, Tree of Kindness, Inc. (Nevada), TOK Tech, Inc. (Washington), EVR Biosciences (UK) Ltd. (Scotland), EVR Biosciences Limited (Ireland), EVR Global Biosciences Ltd. (British Columbia) and EVR-CBD, Inc. (Washington). No subsidiary is a reporting issuer, and none of the subsidiaries' securities are registered under the securities legislation of any jurisdiction. Of the subsidiaries, only Tree of Kindness Inc. and EVR Biosciences Limited (Ireland) have active operations.

TOK sells products in the cannabishealth and wellness sectors in certain jurisdictions in the United States, Europe, South America (Brazil) and China with an outlook of expanding into Canada and other jurisdictions where such activity is permitted and/or regulated by applicable laws. TOK produces and distributes products that contain CBD derived from USDA approved industrial hemp in accordance with applicable laws and regulations.

TOK has forged relationships with quality and ethical USDA approved farmers and co-ops in Colorado to source quality industrial hemp CBD extracts. Upon receiving the extracts, TOK ensures the quality through its third-party testing protocols. All of TOK's products are made with cannabinoids extracted from controlled strains of USDA approved industrial hemp making them widely accepted internationally. The CBD contained in TOK's products is extracted from

TREE OF KNOWLEDGE INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations
For the three months ended March 31, 2018 and 2017

USDA approved organic and kosher grown hemp using proprietary extraction process whose output provides the purest product available today. TOK thoroughly tests its CBD to confirm potency and to confirm absence of heavy metals, pesticides, microbials and residual solvents. This is a quality control step which management of TOK believes many other manufacturers do not take. TOK also provides live lab test results using QR codes (smart phone enabled bar codes) on all its products.

TOK's current facility in Spokane, WA, produces the TOK CBD product lines for its customers. TOK has forged multiple relationships with other providers in the industry to outsource specialty orders for its customers. TOK currently offers 7 CBD product lines, including airless metered pens, capsules, drops, balms, creams and tinctures, which may be used in connection with the treatment of a number of ailments and for general wellness purposes. Certain of the products employ the use of a proprietary dosing mechanism

In certain circumstances, TOK may pursue business opportunities in other value chain segments, such as operating a dispensary or making strategic investments. The aim of this strategy is to secure a foothold in such markets, through obtaining a license to operate a business that is not directly related to extraction/processing and then partnering with another licensed supplier that is able to operate in the extraction/processing space.

Recent Developments and Outlook

Expansion in Canada

TOK entered into a letter of intent dated January 12, 2018, with Courtland Capital Inc. ("CTD"), a British Columbia corporation listed on the NEX Exchange, for the purpose of merging their businesses (the "LOI"). The LOI contemplates CTD acquiring all of the outstanding shares of TOK in exchange for shares of CTD. Following completion of the transaction, CTD's core business would become the business of TOK and CTD will continue doing business as "Tree of Knowledge International Corp." It is a condition to closing of the transaction that CTD apply for a listing on the Canadian Stock Exchange.

TOK entered into a letter of intent dated March 15, 2018, with Sustainable Growth Strategic Capital Corp. ("SGSCC"), a private Ontario corporation, that has applied to be a Canadian Licensed Producer pursuant to the *Access to Cannabis for Medical Purposes Regulations* ("ACMPR") in order to cultivate and distribute cannabis. The parties entered into a definitive agreement on April 5, 2018 (the "SGSCC Investment Agreement"). Pursuant to the SGSCC Investment Agreement, SGSCC has agreed to provide TOK with 8,000 square feet of space in its facility located at 633 Coronation Drive, Toronto, Ontario M1E 2K4 (the Canadian Facility), and manage the construction of a laboratory and clean work space to TOK's specifications. The cost is initially expected to be approximately \$12,000/month including rent and personnel. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the space to be leased by TOK, in accordance with applicable regulations. Pursuant to the SGSCC Investment Agreement, TOK issued 1,818,181 common shares of TOK (approximately 5%) and SGSCC issued 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC. The ownership in the respective companies is intended to align the interests of the parties and provide for additional incentive to build each other's respective business.

The Canadian Facility currently has corporate offices and board rooms built that will be used by TOK for sales and marketing. About 10,000 sq. ft. of grow operations have been built by SGSCC and are awaiting approval of the ACMPR License from Health Canada. Following approval, SGSCC intends to build another 40,000 sq. ft. of grow space. Once fully built, the facility will have an oil extraction facility, research and development, processing and packaging, and an education facility for doctors and government officials. The facility is located a short drive from the Toronto International Airport. TOK intends to relocate its main office and operations to this facility upon completion of the Proposed Transaction. In addition TOK will have the option to lease an additional 80,000 square feet for expansion purposes of the approximately 150,000 square foot facility.

TOK and CTD entered into an agreement and plan of merger on April 2, 2018, as amended and restated May 8, 2018 (the "Merger Agreement"). The transaction is structured as a three-cornered merger whereby CTD will incorporate a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of CTD. The

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Merger Agreement is subject to a number of conditions, including but not limited to: obtaining the necessary shareholder approvals of the TOK shareholders, the consolidation of CTD common shares on a 49.16 for one basis, the completion of a shares/convertible debt financing by CTD in the maximum amount of \$360,000, the acceptance for listing on the Canadian Stock Exchange (“CSE”) and the concurrent delisting from the TSX Venture Exchange, as well as approvals of other applicable regulatory authorities. Assuming that no additional shares of TOK are issued other than as contemplated under the Merger Agreement, the former TOK shareholders will own 88% of the outstanding CTD shares following completion of the transaction. The proposed transaction is expected to be accounted for as a reverse take-over.

In connection with the Proposed Transaction, TOK and CTD have entered into a finder’s fee agreement whereby the finder group will receive, at Closing, a finder’s fee equal to 2.5% of the securities issued in CTD following completion of the Proposed Transaction for efforts made in introducing the parties and facilitating the Proposed Transaction. The finder pursuant to such agreement is an Arm’s Length Party to both TOK and CTD. The finder’s fee is subject to acceptance by the CSE. The Merger Agreement may be terminated by either party if the transaction is not completed by June 30, 2018.

On May 18, 2018, the Company entered into an agreement with a licensed manufacturer, distributor, importer and exporter of cannabis, CBD and pharmaceutical based products in the Country of Macedonia (the “Macedonia Agreement”). TOK agreed to acquire a 5% interest in NYSK and its affiliate for an aggregate cost of \$1.5 million, comprised of 909,090 shares issued at a price of \$1.10 and \$500,000 in cash to be paid in two instalments tied to the timing of the Company completing its next financing. The Company will be required to issue additional common shares to NYSK pursuant to a “price protection” provision to the extent that the trading price is not \$1.10 on a date that is four months following the day the common shares are listed. To the extent the cash payments are not made by September 15, 2018, TOK’s interest will be reduced to 3.5%.

Subsequent to the period covered herein, all the convertible notes issued by the Company have either been converted into Common Shares or are expected to be converted into common shares. Assuming all note are in fact converted, an aggregate of \$2,322,722 will have been settled in exchange for 3,249,535 common shares. In addition, on May 4, 2018, the two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining \$395,453 to December 31, 2019. The Company issued an aggregate of 440,082 common shares to settle the \$395,453 at a price of \$1.10 per share resulting in a loss on settlement of \$88,637.

Regulatory Considerations

United States Federal Law

In the United States, thirty states, Washington D.C. and Puerto Rico have legalized medical marijuana, and nine states and Washington D.C. have legalized recreational marijuana. At the federal level, however, “marihuana” currently remains a Schedule I drug under the *Controlled Substances Act of 1970* (CSA). Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, marijuana-related practices or activities, including without limitation, the manufacture, importation, possession, use, or distribution of marijuana remain illegal under United States federal law.

Of note, U.S. federal law does not deal separately with CBD and THC and so there is a degree of uncertainty with respect to the legality of CBD-only products in the United States. Due to the fact that TOK’s products contain CBD that is derived from industrial hemp grown legally in the United States, while TOK has received a certain degree of comfort on the legality of its products, there remains a degree of uncertainty and therefore the following regulatory considerations and background information have been provided for information.

Federal Regulation of Industrial Hemp

TOK acquires hemp extracts and oils from USDA approved farmers and co-ops in Colorado. While TOK is not directly subject to regulations related to the cultivation of industrial hemp, the regulation of its third party suppliers has a significant impact upon its business. Therefore, any enforcement activity impacting TOK’s suppliers or any additional uncertainties regarding regulation of industrial hemp which may arise in the future in the United States, could cause

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substantial interruption or cessation of TOK's business, including adverse impacts to our supply chain in the United States and distribution channels, and other civil and/or criminal penalties at the federal level. A summary of the history and current status of regulation of hemp and cannabinoids in the US follows.

On August 29, 2013, the U.S. Department of Justice (“DOJ”), issued a memorandum known as the “Cole Memorandum” to all U.S. Attorneys’ offices (federal prosecutors) acknowledging that, notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several states had enacted laws relating to cannabis for medical purposes. The Cole Memorandum outlined the priorities for the DOJ relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the DOJ never provided specific guidelines for what regulatory and enforcement systems it deemed sufficient under the Cole Memorandum standard. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority.

Prior to 2014, pursuant to the CSA, a permit from the DEA was required to grow any variety of the plant *Cannabis sativa L.* While the CSA definition of “marihuana” included an explicit exemption for certain portions of the Cannabis plant, such as the stalk and non-viable seed, sometimes referred to as “non-psychoactive hemp,” the cultivation restrictions on cannabis effectively curtailed cultivation of hemp as a domestic agricultural crop in the United States.

In 2014, Congress enacted the Agricultural Act of 2014 (the “**2014 Farm Bill**”) which provided for the cultivation of industrial hemp as part of agricultural pilot programs for adoption by individual states and research by educational institutions. Approximately 30 states implemented legislation pursuant to the 2014 Farm Bill, which include a variety of requirements relating to registration of cultivators and processors, the involvement of institutions of higher education and permissible commercialization.

In response, the DEA took action and seized shipments of viable hemp seeds into certain states thereby impacting the full implementation of the 2014 Farm Bill. Congress responded by enacting the *Consolidated and Further Continuing Appropriations Act, 2015*, which contained provisions to block federal law enforcement authorities from interfering with state agencies and hemp growers, and to counter efforts to obstruct agricultural research, stating that “none of the funds made available” to the US Justice Department and DEA “may be used in contravention” of the 2014 Farm Bill. Similar language was included in the *2016 Consolidated Appropriations Act*, and as further support, the USDA was also blocked from prohibiting the transportation, processing, sale or use of industrial hemp that is grown or cultivated in accordance with the 2014 Farm Bill. This language was carried into the *2017 Consolidated Appropriations Act* and also the most recent *Consolidated Appropriations Act, 2018* which is in effect until September 30, 2018.

On August 12, 2016, the USDA, with the concurrence of the U.S. Drug Enforcement Agency (“DEA”) and the U.S. Food and Drug Administration (“FDA”), issued a Statement of Principles on Industrial Hemp with the stated purpose of informing the public on how federal law applies to activities industrial hemp that is grown and cultivated in accordance with the 2014 Farm Bill. It acknowledged that the Statement of Principles did not establish any binding legal requirements. The USDA attempted to clarify the scope of the 2014 Farm Bill including outlining which conduct was authorized pursuant to the 2014 Farm Bill. The Statement of Principles further outlined that it did not believe the 2014 Farm Bill provided for “general commercial activity.” Criticism of the Statement of Principles ensued, including accusations by Congressional representatives alleging the Statement of Principles was seeking to administratively constrain explicit Congressional legislation.

In December 2016, the DEA published the “Final Rule” to establish a definition for “marihuana extract”. The Final Rule was initially proposed in July 2011 and final action on the proposed rule was originally scheduled for February 2012. In the Final Rule, “marihuana extract” was defined for the first time under U.S. law as “an extract containing one or more cannabinoids that has been derived from any plant of the genus *Cannabis*” and the DEA established a four-digit code for the tracking of “marihuana extract.” The DEA issued a memorandum to clarify the new drug code and claimed the rule is administrative in nature and helps the agency better track research and meet international drug treaty requirements. The memorandum stated that the new drug code was merely a subset of what has always been included in the CSA definition of marijuana. The implication was that that cannabinoids derived from marijuana or hemp were included as a

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Schedule I controlled substance and thus required a DEA permit.

There were questions raised as to whether the DEA had the legal authority to enact the Final Rule and the Final Rule was challenged by the Hemp Industries Association in the Ninth Circuit Court on the basis that the Final Rule unilaterally created a new drug code without following the proper administrative procedures. See *Hemp Industries Association, et al v. US DEA, et al*, Case No. 17-70162 (9th Cir. filed Jan. 13, 2017). In the DEA's responding brief in the pending litigation on the Final Rule, the DEA conceded that it maintained no jurisdiction with regard to 2014 Farm Bill activities. Despite the DEA's concession that it maintained no jurisdiction with regard to 2014 Farm Bill activities, in practice, there remained concern over the extent to which other federal, state and local agencies defer to the DEA's earlier, negative position towards the 2014 Farm Bill in the Statement of Principles. Potential adverse impacts included limited, misguided enforcement by state and local authorities that might be confused by DEA's conflicting interpretations of, and misrepresentations of the congressional intent behind, the 2014 Farm Bill hemp's amendment.

On April 30, 2018, the Ninth District Court, issued a memorandum pursuant to which the petition by the Hemp Industries Association was denied due to technical considerations, however, the Court did say that the industrial hemp provisions of the 2014 Farm Bill pre-empt the CSA.

Shortly after the Hemp Industries Association filed its petition blocking enforcement of the Final Rule, it filed another action seeking to direct the DEA to show cause why it should not be held in contempt for failure to comply with a 2004 order that permanently enjoined the DEA from regulating hemp fiber, stalk, sterilized seed and oil as a controlled substance. In 2003, the DEA issued two final rules: one that expanded the CSA Schedule I listing of synthetic THC to include THC "naturally contained in a plant of the genus *Cannabis* (cannabis plant), and a second that exempted hemp fiber, seed and oil products containing THC not intended for human consumption from control (the "2003 Rules"). The collective result of the 2003 Rules was to classify all naturally-occurring THC intended for human consumption as a Schedule I controlled substance. In 2004, the Hemp Industries Association was successful in obtaining an injunction from the Court of Appeals of the Ninth Circuit prohibiting the DEA from enforcing the 2003 Rules (with respect to non-psychoactive hemp or products containing it"). See *Hemp Industries Association v. DEA Enforcement Admin.*, 357 F. 3d 1012 (9th Cir. 2004). However, the DEA never took action as a result of the injunction, including not amending its listing of THC in Schedule I of the CSA. Until December 2016, the DEA also did not appear to have taken any enforcement action under the enjoined regulation, until the North Dakota Department of Agriculture advised a state-licensed farmer/producer that a planned shipment of hempseed oil out of the state would require a DEA registration, citing the federal CSA. This action prompted Hemp Industries Association to file a motion for contempt with the Court of Appeals of the Ninth Circuit for failing to comply with the 2004 injunction.

On May 25, 2018, the Hemp Industries Association reached a negotiated settlement with respect to the longstanding legal action from 2004, to uphold the legality of consumption, manufacturing and sale of hemp food products. This settlement restrains further illegal attempts and actions by the DEA to regulate hemp foods as Schedule I drugs. As noted by the Hemp Industries Association in a press release issued June 8, 2018, significantly, the DEA issued an internal and external directive to federal agencies, with language agreed to by the parties, clarifying that the mere presence of cannabinoids does not render material a controlled substance—as the issue of whether a material constitutes a drug is rather in fact determined by whether the material is derived from the non-exempt parts of the plant. The Hemp Industries Association's hope is that this directive should provide clarity to federal agencies and minimize interference with the expanding flow of hemp commerce. This directive should also have an impact on certain states that have enacted similar Controlled Substance Acts which prohibit or narrowly restrict the distribution, sale, possession and/or use of any products containing even trace amounts of THC.

The importation of industrial hemp raw materials and finished products have historically been permitted pursuant to, and when derived from, the above-mentioned CSA exemption of certain portions of the cannabis plant from the definition of marijuana. However, the emergence of a market for CBD and cannabinoids (other than THC) derived from cannabis has increased the scrutiny of imported industrial hemp raw materials for compliance with the CSA and relevant FDA regulation with respect to products intended for use by either humans or animals. To date, TOK has not received notice from any of its retailers or distributors that they are no longer continuing to sell its products.

State Regulation of Industrial Hemp

While TOK had obtained a legal opinion that the sale of its products that contain CBD derived from industrial hemp

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grown in the U.S. are legal in all 50 states, there remains uncertainty. CBD may be derived from either hemp or marijuana, however, it is primarily derived from hemp. TOK's CBD is currently derived from cannabinoids extracted from controlled strains of USDA approved industrial hemp that is certified organically grown by quality and ethical USDA approved farmers and co-ops located in Colorado that are in compliance with state and federal regulations and approved by the Colorado Department of Agriculture. Accordingly, the laws applicable to the CBD used by TOK in its products are those of the State of Colorado.

In 2012, Amendment 64 to the Colorado Constitution directed the General Assembly to enact legislation governing the cultivation, processing, and sale of industrial hemp. Legislation adopted in 2013 delegated the responsibility for establishing institutional and commercial registration and inspection regulations to the Colorado Department of Agriculture (the "CDA"). The CDA adopted rules and regulations that set forth the requirements of registration and inspection.

After the 2014 Farm Bill's passage, the state of Colorado passed the *Industrial Hemp Regulatory Program* pursuant to *The Hemp Act of 2014* (the "**Colorado Hemp Act**"). The Colorado Hemp Act expressly authorized two categories of industrial hemp cultivation registration: (i) research and development ("**R&D**") and (ii) commercial. R&D is limited to institutions of higher education or any person or legal entity under a pilot program administered and directed by the CDA for purposes of agricultural or academic research in the development of industrial hemp. Commercial cultivation is generally understood to mean the growth of industrial hemp for any purpose including engaging in commerce, market development, and market research, by any person or legal entity other than an institution of higher education or under a pilot program administered by the CDA.

Accordingly, pursuant to bills, laws, regulations and policies set forth by the U.S. federal government and the U.S. Office of the Attorney General, the CDA has accepted, and continues to accept, Commercial Industrial Hemp Applications. All compliant Colorado Hemp Act registrations are deemed 2014 Farm Bill compliant by the federal government.

Through contract, we source all industrial hemp from 2014 Farm Bill compliant registrants and contractors to manufacture hemp extract from the hemp material. Effective, July 1, 2017, the Colorado Department of Public Health and Environment (the "**CDPHE**"), established and published its policy regarding manufacturers of products intended for human consumption made from oils (extracts) and other derivatives from industrial hemp. This policy now allows these manufacturers to register with CDPHE as a manufacturer of food products pursuant to Colorado law, where prior permit applications were previously withheld and/or unprocessed. The CDPHE policy allows for food products to be manufactured in Colorado, so long as, among other conditions, the hemp derivatives are sourced from compliant sources in good standing with governing state laws and that finished products contain no more than 0.3% THC, to be demonstrated by testing assays. Our contracted manufacturer is registered and in good standing with CDPHE; its hemp extract is, therefore, produced lawfully under Colorado state law.

Until such time as TOK relocates its operations to Canada, the TOK currently operates and distributes its products out of its facility located in Spokane, Washington. The Washington State Liquor and Cannabis control board ("**WSLCB**") manages the Washington State i502 cannabis licensing program and the state licensed operators, therein. The law creates three separate tiers: (i) marijuana producer, (ii) marijuana processor, and (iii) marijuana retailer. Specific license requirements are detailed in the rules on the WSLCB website, however, they only apply to CBD that is derived from marijuana, as compared to industrial hemp. TOK is not able to obtain a license under the i502 cannabis licensing program or otherwise in Washington as its CBD is not derived from marijuana. Similarly the licensed medicinal cannabis retail distribution channels in Washington do not include CBD products that are derived from industrial hemp. Accordingly, TOK operates in compliance with all applicable laws in the State of Washington.

When packaged into a final product for distribution, TOK believes it is operating within the bounds of federal and state law and may sell its products into various states. TOK currently supplies products to retail stores or other distributors located in 20 states in the U.S. that are in compliance with applicable regulations. There are 17 states that have specifically adopted laws legalizing CBD containing less than 0.3% THC up to as high as 8% THC, and a total of 46 states allow for medical use of CBD with a prescription from a licensed dispensary and 8 of these states have passed laws relating to recreational use of CBD.

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Ongoing and Future Uncertainty of Legal Status

The latest directive by the DEA on May 22, 2018, entitled “DEA Internal Directive Regarding the Presence of Cannabinoids in Products and Materials Made from the Cannabis Plant” made it clear that products and materials made from parts of the cannabis plant that fall outside the definition of marijuana (such as sterilized seeds, oil or cake made from the seeds, and mature stalks) – namely hemp and hemp seed, even if they contain cannabinoids, are not controlled under the CSA. However, the directive was intentionally silent on industrial hemp, which is arguably the largest source of CBD in the United States. As a result, the legal status of CBD derived from industrial hemp was not clarified in the directive. The Ninth Circuit statement that the 2014 Farm Bill pre-empts the CSA, coupled with the prohibition by Congress for the use of federal funds to interfere with the “transportation, sale, or use” of industrial hemp, leads to the conclusion that CBD extracted from industrial hemp is outside the DEA’s jurisdiction and can be sold interstate, at least until September, 2018, while the *2018 Consolidated Appropriations Act* remains in force.

Ultimately, there remain a number of considerations and uncertainties regarding the sourcing and distribution of industrial hemp and products containing hemp derivatives. Applicable laws and regulations remain subject to change as there are different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses with respect to the treatment of the importation of derivatives from exempted portions of the cannabis plant and the scope of operation of 2014 Farm Bill compliant hemp programs relative to the CSA and the emerging regulation of cannabinoids. These different federal, state and local agency interpretations, as discussed above, touch on the regulation of cannabinoids by the DEA and/or the FDA and the extent to which imported derivatives and/or 2014 Farm Bill - compliant cultivators and processors may engage in interstate commerce, whether under federal and/or state law. The uncertainties likely cannot be resolved without further federal legislation, regulation or a definitive judicial interpretation of existing legislation and rules.

Industrial hemp farming legislation has historically been re-introduced during each session of Congress, in attempts to further clarify and explicitly expand the scope of permitted industrial hemp activities within the United States. However, past legislative attempts to remove hemp from the CSA, including six bills in the House and three in the Senate since 2005, did not make it to a floor vote. Despite this, the *Hemp Farming Act of 2018* was introduced on April 12, 2018, by Senate Leader Mitch McConnell, the Republican Senator for Kentucky, with strong support from Senator Ron Wyden, the Senior Democratic Senator for Oregon, and further bi-partisan support from Jeff Merkley, the junior Democratic Senator for Oregon. The companion bill was introduced in the House of Representatives by Colorado Democratic Representative Jared Polis, as a co-sponsor. Senate Leader McConnell invoked Rule 14 which allows for by-passing the Committee review stage normally required at both the Senate and House of Representative levels. This is seen as a way to fast-track the legislation to where it can be debated and then voted on by members of each of the House of Representatives and the Senate, and then submitted to the President for adoption as a law. However, this process does not guarantee that the bill will be considered and voted upon and no vote has been set.

If passed, the *Hemp Farming Act of 2018* would amend the *Agricultural Act of 1946* to provide for state and tribal regulation of hemp production. Importantly, the *Hemp Farming Act of 2018* would also amend the CSA to specifically state that marijuana does not include “hemp” as defined in the *Agricultural Act of 1946*, and also that THC under the CSA does not include THC in hemp. The proposed definition of hemp is cast broadly to include any part of the *Cannabis sativa* L. plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, salts of isomers, whether growing or not, with a delta-9 THC concentration of not more than 0.3 percent on a dry weight basis.

The move would provide substantial support for the rapidly growing hemp industry in the U.S., and would include access to federal research funding for hemp, remove restrictions on banking, water rights, and other regulatory issues currently faced by the hemp industry. The bill would also explicitly authorize crop insurance for hemp. Senator McConnell stated: "Today, with my colleagues, I am proud to introduce the bipartisan Hemp Farming Act of 2018, which will build upon the success of the hemp pilot programs and spur innovation and growth within the industry. By legalizing hemp and empowering states to conduct their own oversight plans, we can give the hemp industry the tools necessary to create jobs and new opportunities for farmers and manufacturers around the country."

The activities of TOK are subject to evolving laws, regulations and guidelines that are subject to changes by governmental authorities in the U.S. and elsewhere. See “*Risk Factors – Changes in Laws, Regulations and Guidelines*”.

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FDA Regulation

Of note, CBD is considered a drug by the FDA, however, according to the FDA, prior to the recent approval on April 19, 2018, of a CBD drug application by British company GW Pharmaceuticals, to date the FDA has not approved a marketing application for marijuana for any indication. The 99% purity CBD drug was approved by the FDA for treatment of rare, severe, refractory epilepsy syndromes in early childhood.

There is substantial uncertainty and different interpretations among state and federal regulatory agencies, legislators, academics and businesses as to whether cannabinoids as an ingredient were present in the food supply without being chemically altered, and marketed in the United States prior to October 15, 1994, or whether such inclusion of cannabinoids is otherwise approved by the FDA as a dietary ingredient. This determination is relevant as dietary ingredients marketed in the United States prior to October 15, 1994 may be used in dietary supplements without notifying the FDA. A position on this matter has not been definitively established by the FDA. Should the FDA decide to make a determination that hemp products containing cannabinoids were not present in the food supply and marketed prior to October 15, 1994, or are not otherwise approved by the FDA as a dietary ingredient, or are adulterants, this would have a materially adverse effect upon our business. The FDA may issue rules and regulations including requiring certified good manufacturing practices related to the growth, cultivation, harvesting and processing of CBD-infused products, and clinical trials may be needed to verify efficacy and safety of the products. Since 2015, to date, the FDA and other law enforcement agencies have recently taken steps to pursue companies that manufacture CBD- infused products that make health and medical claims about their products, and may take steps to pursue companies that manufacture cannabis products. TOK is careful not to make any health and medical claims in the marketing of its products. See “*Risk Factors*”.

Enforcement of U.S. Federal Laws

Although federally illegal, following the issuance of the Cole Memorandum, the U.S. federal government’s approach to enforcement of such laws has at least until recently trended toward non-enforcement. While not legally binding, and merely prosecutorial guidance, the Cole Memorandum laid a framework for managing the tension between state and federal laws concerning state-regulated marijuana businesses.

However, on January 4, 2018 the Cole Memorandum was rescinded by Attorney General Jeff Sessions, a long-time opponent of state-regulated medical and recreational cannabis. While this did not create a change in federal law, as the Cole Memorandum was not itself law, the revocation removed the DOJ’s guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum’s guidelines should not be a prosecutorial priority.

In addition to his rescission of the Cole Memorandum, A.G. Sessions also issued a one-page memorandum known as the “Sessions Memorandum.” The Sessions Memorandum confirmed the rescission of the Cole Memorandum and explained the rationale of the DOJ in doing so: the Cole Memorandum, according to the Sessions Memorandum, was “unnecessary” due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney’s Manual (the “USAM”).

The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government’s limited resources, and include “law enforcement priorities set by the Attorney General,” the “seriousness” of the alleged crimes, the “deterrent effect of criminal prosecution,” and “the cumulative impact of particular crimes on the community.”

While the Sessions Memorandum emphasizes that marijuana is a Schedule I controlled substance, and reiterates the statutory view that cannabis is a “dangerous drug and that marijuana activity is a serious crime,” it does not otherwise indicate that the prosecution of marijuana-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly described itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether or not to prosecute marijuana-related offenses. TOK monitors all U.S. Attorney comments related to regulated medical and adult-use cannabis laws to assess various risks and enforcement priorities within each jurisdiction. Dozens of U.S. Attorneys across the country have affirmed that their view of federal enforcement priorities has not changed, although a few have displayed greater ambivalence. In California, at least one U.S. Attorney has made comments indicating a desire to enforce the CSA: Adam Braverman, Interim U.S. Attorney for

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the Southern District of California, has been viewed as a potential enforcement hawk after stating that the rescission of the Cole Memorandum “returns trust and local control to federal prosecutors” to enforce the CSA. Additionally, Greg Scott, the Interim U.S. Attorney for the Eastern District of California, has a history of prosecuting medical cannabis activity: his office published a statement that cannabis remains illegal under federal law, and that his office would “evaluate violations of those laws in accordance with our district’s federal law enforcement priorities and resources.”

It is too soon to determine what prosecutorial effects will be created by the rescission of the Cole Memorandum. While initial fears of a nationwide “crackdown” have not yet materialized, considerable uncertainty remains.

Regardless, marijuana remains a Schedule I controlled substance at the federal level, and neither the Cole Memorandum nor its rescission has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. From a purely legal perspective, the criminal risk today remains identical to the risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered.

Additionally, under U.S. federal law it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. Despite these laws, the U.S. Department of the Treasury issued a memorandum in February of 2014 (the “**FinCEN Memorandum**”) outlining the pathways for financial institutions to bank state sanctioned marijuana businesses. Under these guidelines, financial institutions must submit a “suspicious activity report” (“**SAR**”) as required by federal money laundering laws. These marijuana related SARs are divided into three categories: marijuana limited, marijuana priority, and marijuana terminated, based on compliance with state law, or where the banking relationship has been terminated.

Further, the provisions of Internal Revenue Code section 280E are being applied by the Internal Revenue Service (“**IRS**”) to businesses operating in the medical and adult use marijuana industry. Section 280E of the IRS prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be. See “*Risk Factors*”.

On the same day the FinCEN Memorandum was published, the DOJ issued a memorandum (the “**2014 Cole Memo**”) directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. The 2014 Cole Memo has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes was not a DOJ priority.

However, Attorney General Sessions’ revocation of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memo and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum can act as a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact.

For the reasons set forth above, TOK’s business in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, TOK may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on TOK’s ability to carry on its business in the United States or any other jurisdiction. See “*Risk Factors*”.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public’s perception of medical

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cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to revoke existing legislation or abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of state jurisdictions into which TOK could expand. Any inability to fully implement TOK's expansion strategy may have a material adverse effect on TOK's business, financial condition and results of operations. See "*Risk Factors*".

Further, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on TOK, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares.

In addition, it is difficult for TOK to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. See "*Risk Factors*".

U.S. Enforcement Proceedings

Although the Cole Memorandum and 2014 Cole Memo have been rescinded, one legislative safeguard for the medical marijuana industry remains in place: Congress has used a rider provision in the FY 2015, 2016 and 2017 Consolidated Appropriations Acts (currently the "**Rohrabacher-Leahy Amendment**") to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. The Rohrabacher-Leahy Amendment was included in the FY 2018 budget in the *Consolidated Appropriations Act, 2018*, passed on March 23, 2018, meaning that, the Rohrabacher-Leahy Amendment will only remain in effect until September 30, 2018, when FY 2019 begins. Any further legislative safeguards for the medical marijuana industry will need to be reintroduced.

TOK operates in a highly regulated industry, which to date remains illegal under U.S. federal law and is relatively new in most U.S. states. There is no certainty that any of the local, state, or federal governments of jurisdictions where TOK operates will continue to maintain current regulatory regimes, changes to regulatory regimes could adversely affect TOK's operations. Please see the "*Risk Factors*" section.

Ability to Access Public and Private Capital

TOK has historically, and continues to have, access to equity and debt financing from the prospectus exempt (private placement) markets in Canada and the United States. While TOK is not able to obtain bank financing in the U.S. or financing from other U.S. federally regulated entities, it currently has access to equity financing through the private markets in Canada and the U.S. TOK's executive team and board also have extensive relationships with sources of private capital (such as funds and high net worth individuals), that could be investigated at a higher cost of capital.

If such equity and/or debt financing was no longer available in the public markets in Canada due to changes in applicable law, then TOK expects that it would have access to raise equity and/or debt financing privately. Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals and family offices that have made meaningful investments in companies and projects similar to TOK's projects. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to TOK when needed or on terms which are acceptable. TOK's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See "*Risk Factors – Additional Financing*".

Canadian Law

Legal access to dried cannabis for medical purposes was first allowed in Canada in 1999 through Section 56 Exemptions

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under the *Controlled Drugs and Substances Act* ("CDSA"). The decision of the Court of Appeal for Ontario in 2000 in *R. v. Parker* held that individuals with a medical need had the right to possess cannabis for medical purposes. This led to the implementation of the *Medical Marihuana Access Regulations* in 2001, giving residents of Canada, who had been authorized by their health care practitioners, access to cannabis for medical purposes by producing their own cannabis plants, designating someone to do so on their behalf, or purchasing cannabis from Health Canada.

In June 2015, the Supreme Court of Canada decided in *R. v. Smith* that restricting legal access to only dried cannabis was unconstitutional. The Court decided that individuals with a medical need have the right to use and make other cannabis products. To eliminate uncertainty around a legal source of supply of cannabis, in July 2015 the Minister issued Section 56 Exemptions under the CDSA to allow, among other things, licensed producers to produce and sell cannabis oil and fresh cannabis in addition to dried cannabis, and to allow authorized users to possess and alter different forms of cannabis.

On August 24, 2016, the Access to Cannabis for Medical Purposes Regulations ("ACMPR") were enacted as a result of a decision by the Federal Court of Canada in February 2016, in *Allard v. Canada*, which found that requiring individuals to obtain cannabis only from licensed producers violated liberty and security rights protected by section 7 of the Canadian Charter of Rights and Freedoms. The Court found that individuals who require cannabis for medical purposes did not have "reasonable access" under the former regime.

The ACMPR are the current governing regulations regarding the production, sale, and distribution of cannabis products, including cannabis oil and CBD, in Canada. Canada's *Industrial Hemp Regulations* came into force on March 12, 1998 and provides a regulatory approval process for the commercial production of industrial hemp for persons in Canada engaged in the cultivation, distribution, importation, exportation, and processing of industrial hemp. Industrial hemp includes cannabis plants and plant parts, of any variety, that contains 0.3% THC or less in the leaves and flowering heads. Industrial hemp also includes the derivatives of industrial hemp plants and plant parts, however, it does not currently include the flowering parts or the leaves. Examples of derivatives that are considered industrial hemp include: hemp seed oil (oil derived from seed or grain) and hemp flour. CBD is specifically included in Schedule II to the CDSA, for which possession is an indictable offence, unless the person has a prescription under the ACMPR.

The process of becoming a licensed producer is rigorous and management of TOK believes that this process presents a significant barrier to entry for prospective licensees. In addition, Health Canada requires rigorous testing of cannabis products and derivatives provided by licensed producers. A licensed producer is subject to a wide variety of compliance and enforcement activities conducted by Health Canada after it has received its license.

On April 20, 2016, the Government of Canada announced its intention to introduce, by the spring of 2017, legislation to legalize the recreational use of cannabis in Canada. On April 13, 2017, the *Cannabis Act* was introduced. The *Cannabis Act* provides a licensing and permitting scheme for the production, testing, packaging, labelling, sending, delivery, transportation, sale, possession, and disposal of cannabis, to be implemented by regulations made under the *Cannabis Act*.

Under the proposed legislation, the production, sale and possession of certain amounts of cannabis will be legal federally, though provinces will ultimately decide how cannabis, including CBD products, will be distributed and sold within their boundaries, subject to federal requirements. The *Cannabis Act* will create a highly regulated landscape for businesses looking to produce, distribute or deal in cannabis products. However, the *Cannabis Act* does not address in detail a number of key issues, including relating to labelling, marketing, transition, licensing requirements and taxes. These will need to be addressed by the Canadian Government in regulations and rules over the next year or more, and the Canadian Government will also need to work out issues with the provinces and municipalities.

The Cannabis Act was passed by the Senate on June 19, 2018, however, until it is declared in force, existing laws (including criminal sanctions) will continue to apply. The Cannabis Act is expected to be declared in force on October 17, 2018.

As the cannabis industry expands in Canada, cannabis-related businesses will increasingly seek banking and financial services from Canadian financial institutions. Cannabis related businesses may be considered high-risk clients under the Canadian anti-money laundering regime. The current licensing regime for medicinal cannabis producers is comprehensive and requires that the Canadian Government complete extensive reviews and background checks on each

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licensed producer. A similarly comprehensive licensing regime is expected under the new legislation to legalize recreational cannabis. While Management of TOK hopes that financial institutions will rely on the government's stringent vetting process to confirm the legitimacy of a cannabis producer, the decision to open any particular cannabis-related account will ultimately be made by each financial institution.

Health Canada data shows that 201,398 patients in Canada were registered to use medical marijuana by the end June of 2017, establishing a market worth in excess of \$100 million. By 2024, Health Canada estimates that the number of patients using medical marijuana will grow to 450,000, creating a market worth an estimated \$1.3 billion.

European Law

As reported by the European Industrial Hemp Association (“**EIHA**”), there is no or only a patchwork of CBD regulation in Europe. In contrast to tetrahydrocannabinol (THC), natural CBD is not psychotropic and non-intoxicating. Therefore, the EIHA believes it is just and reasonable that CBD is not covered by the national narcotic acts or drug regulations of the 27 EU Member States (from 28 with the exception of Slovakia) and that CBD is not restricted by any EU legislation. However, regarding CBD-containing hemp extracts, the situation is not as clear as for CBD as a pure substance, because it could also contain THC, which is covered by national narcotics acts in EU Member States.

The Health Products Regulatory Authority of Ireland (the “**HPRA**”) published a report dated January 31, 2017, entitled “*Cannabis for Medical Use – A Scientific Study*”. It defined CBD as: Non-psychotogenic constituent of cannabis, sedative and anti-convulsant properties. CBD does not act via the endocannabinoid system. It was noted that CBD is not controlled under the *Misuse of Drugs Regulations, 1988*, as amended, the major piece of legislation which governs the EU Member States.

Brazil Law

Brazil is an Exceptional Use jurisdiction. Companies can only send those products to patients in Brazil that are registered with Brazilian Health Surveillance Agency (Agência Nacional de Vigilância Sanitária (“**ANVISA**”), the Brazilian governmental authority. ANVISA was created on January 26, 1999, by Law No. 9,782. It is a governmental regulatory agency characterized by its administrative independence, financial autonomy, and the stability of its directors. ANVISA is governed by a Collegiate Board of Directors composed of five members. In the federal public administrative structure, the agency is connected to the Ministry of Health, Brazil, with whom a periodic management contract is signed.

On March 18, 2016, ANVISA enacted a resolution which was published in the country's Official Gazette on March 21, 2016. The resolution allows the prescription and the import of products containing CBD or THC in their formulation. The authorization to import these products is granted to individuals for their own exclusive use in health care, and the import must meet all the legal provisions including those relating to good manufacturing practices. The patient or a legal guardian must apply to ANVISA (on the proper form) for exceptional authorization to import and use the product. Along with the form, the person must also include the prescription, a medical report, and a statement of responsibility and clarification signed by the physician and the patient or a legal guardian. In addition, the products to be imported must be legally authorized and manufactured in their countries of origin. A patient's registration is valid for one year and can be renewed, if it is necessary.

The regulatory requirements in Brazil are extremely complex. TOK has been working with consultants, regulatory and medical specialists to meet the requirements. TOK currently has approvals for 3 product lines in Brazil. TOK is working on additional product lines and developing new product lines for the markets in Brazil.

Key Financing Developments

During the year ended December 31, 2017, the Company closed its non-brokered private placement of unsecured convertible debentures for total gross proceeds of \$1,795,000. The rate of interest on the debentures is 8% per annum, payable upon maturity, with a term of 1 year. The notes are subject to a mandatory conversion into shares of common stock at a conversion price of 25% discount to the market price of the Company's first offering of shares after issuance of the notes.

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Selected Annual Information

Summarized selected financial information with respect to Tree of Knowledge is as follows:

	Three months ended March 31, 2018 (\$)	Year ended December 31, 2017 (\$)	Year ended December 31, 2016 (\$)
Revenue	160,687	394,081	480,904
Total expenses	(571,985)	(5,752,671)	(1,176,922)
Net loss and comprehensive loss	(514,002)	(5,861,500)	(1,225,788)
Loss per share	(0.02)	(0.32)	(0.10)
Total assets	706,530	656,310	248,518
Total liabilities	1,153,062	958,840	1,674,294
Shareholders' Deficiency	(446,532)	(302,530)	(1,425,776)

Operating results for the three month period ended March 31, 2018 and 2017

For the three month period ended March 31, 2018, the revenue was \$160,687, which increased in comparison to revenue of \$110,647 in the prior period ended 2017. The Company had cost of sales of \$102,446 and \$39,138 respectively for the three month period ended March 31, 2018 and 2017. This translated in gross margin of \$58,241 or 36% and \$71,509 or 65% for the three month period ended March 31, 2018 and 2017 respectively. Revenue was higher in the current quarter as the Company's sales have increased through various channels of revenue in South America and Europe.

For the three month period ended March 31, 2018, total operating expenses were \$571,985 (2017 - \$2,497,672), a decrease of \$1,925,687. The primary reason for the decrease was due to shares issued for services in the prior period whereby 3,713,610 shares were issued or slated to be issued for services provided, contributing to salaries and benefit expenses of \$2,305,929 during the three month period ended March 31, 2018 compared to 200,000 shares issued and related \$358,214 expense during the current three month period ended March 31, 2018.

In addition to the above, the increase in operating expenses during the year ended December 31, 2017 compared to the prior year was largely related to an increase in:

- Professional fees of \$83,639 (2017 - \$34,658) as the Company incurred professional fees in connection with bringing its accounting records up to date as well as legal fees as it works towards a going public transaction,

Operating results for the years ended December 31, 2017 and 2016

For the year ended December 31, 2017, the revenue was \$394,081, which decreased in comparison to revenue of \$480,904, in the prior year ended 2016. The Company had cost of sales of \$256,566 and \$444,300 respectively for the years ended December 31, 2017 and 2016. This translated in gross margin of \$137,515 or 35% and \$36,604 or 8% for the years ended December 31, 2017 and 2016 respectively. Gross margin was lower in the comparable period due to higher start-up costs in the full first year of operations.

For the year ended December 31, 2017, total operating expenses were \$5,752,671 (2016 - \$1,176,922), an increase of \$4,575,749. The primary reason for the increase was due to shares issued for services whereby 7,269,032 shares were issued or slated to be issued for services provided, resulting in an increase in salaries and benefit expenses to \$4,971,862 during the year ended December 31, 2017 compared to 280,000 shares issued and related \$750,453 expense during the comparable year ended December 31, 2016.

In addition to the above, the increase in operating expenses during the year ended December 31, 2017 compared to the prior year was largely related to an increase in:

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- Professional fees of \$183,550 (2016 - \$32,180) as the Company incurred professional fees in connection with bringing its accounting records up to date as well as legal fees as it works towards a going public transaction,
- Travel and promotion expenses of \$302,569 (2016 - \$64,674), as the Company spent money on various marketing and strategic campaigns to increase its brand awareness and sales.

Selected financial information for the previous quarters as follows:

Quarter ended	Revenues	Net loss and comprehensive loss	Net loss per share
March 31, 2018	\$160,687	\$(514,002)	\$(0.02)
December 31, 2017	\$146,514	\$(464,999)	\$(0.03)
September 30, 2017	\$63,646	\$(958,356)	\$(0.02)
June 30, 2017	\$73,234	\$(1,872,196)	\$(0.13)
March 31, 2017	\$110,687	\$(2,457,120)	\$(0.18)
December 31, 2016	\$217,440	\$(325,251)	\$(0.03)
September 30, 2016	\$154,700	\$(147,832)	\$(0.01)
June 30, 2016	NA	NA	NA

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Company had working capital deficiency of \$779,114 (December 31, 2016 – working capital deficiency of \$655,846), current assets of \$373,948 (December 31, 2017 - \$302,994) and current liabilities of \$1,153,062 (December 31, 2017 - \$958,840). All the Company's financial liabilities and receivables have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash flow used in operating activities in the three month period ended March 31, 2018, increased to \$296,961 from the cash flow used in operation activities of \$209,165 in the prior period. Cash flows used in operating activities are consistent between the two periods, with the increase in cash used due to the increased cash net loss for the period.

Cash flow used in investing activities was \$4,870 for the three month period ended March 31, 2018 compared to the prior year of \$nil. The increase was primarily due to the acquisition of equipment.

Cash generated by financing activities was \$305,791 for the three month period ended March 31, 2018 compared to the prior year of \$226,361. The increase in cash from financing activities is primarily due to shares issued for cash of \$150,000 (2017 - \$nil) out of which \$100,000 (2017 - \$nil) represents cash received for shares issued subsequent to March 31, 2018, as well as the loan proceeds from Courtland Capital of \$78,902 (2017 - \$nil). Cash from financing activities during the comparable period represents mainly \$245,000 in cash received for proceeds of convertible debentures.

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Foreign currency exchange risk

The Company conducts a portion of its purchases in Canadian dollars which results in the foreign currency exchange risk. The Company does not consider its exposure to foreign currency exchange risk to be material.

An increase (decrease) of 10% in the currency exchange rate of the Canadian dollar versus US dollar would have impacted net loss by \$100 (2017 - \$100) as a result of the Company's exposure to currency exchange rate fluctuations.

Interest rate risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. Financial instruments that potentially subject the Company to interest rate risk include financial liabilities with fixed interest rates.

The Company manages interest rate risk by monitoring market conditions and the impact of interest rate fluctuations on its debt.

Net earnings are sensitive to the impact of a change in interest rates on the average balance of interest bearing financial assets during the year.

An increase (decrease) of 25 basis points would have impacted net loss by \$100 (2017 - \$100) because of the Company's exposure to interest rate fluctuations.

Related Party Transactions and Key Management Compensation

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

For the three month period ended March 31, 2018, \$37,500 (2017 - \$37,500) was incurred for salary to Brian Main, President.

For the three month period ended March 31, 2018, \$37,500 (2017 - \$37,500) was incurred for salary to Michael Caridi, Vice-President.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at March 31, 2018, \$76,768 (December 31, 2017 - \$51,521) is included in accounts payable and accrued liabilities.

Various loans were provided to the Company by directors and officers. As at March 31, 2018 \$780,907 (December 31, 2017 - \$698,210) is outstanding. The amount is non-interest bearing, unsecured, without fixed terms of repayment and due on demand.

On May 4, 2018, the two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining \$395,453 to December 31, 2019. The Company issued an aggregate of 440,082 common shares to settle the \$395,453 at a price of \$1.10 per share resulting in a loss on settlement of \$88,637.

Disclosure of outstanding share data

As at March 31, 2018, the Company had 28,787,507 common shares outstanding. As at May 30, 2018, the Company had 35,435,334 common shares outstanding.

Subsequent events

Subsequent to March 31, 2018, 488,777 shares were issued to the remaining convertible noteholders in connection with

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the mandatory conversion clause which was triggered on December 26, 2017 whereby notices were sent to the note holders for the mandatory conversions of their notes.

On April 2, 2018, the Company entered into a merger agreement (the "Merger Agreement") in respect of an arm's length agreement whereby Courtland Capital Inc. is set to acquire the business of Tree of Knowledge Inc. (the "Transaction") and to change its name to Tree of Knowledge International Corp.

The Transaction is structured as a three-cornered merger whereby Courtland will form a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of Courtland. The Merger Agreement is subject to a number of conditions, including but not limited to: (a) obtaining the necessary shareholder approvals of the TOK shareholders, (b) the continuation of the Company from the laws of British Columbia to the laws of Canada, (c) the acceptance for listing on the Canadian Stock Exchange ("CSE") and the concurrent delisting from the TSX Venture Exchange, (d) as well as approvals of other applicable regulatory authorities.

The annual general and special meeting of the Courtland shareholders has been called to be held on May 2, 2018 (the "Meeting"). The delisting of the Courtland common shares from the TSX Venture Exchange will require the approval of a majority of the votes cast at the Meeting by the holders of the common shares, as well as a majority of the votes cast at the Meeting, excluding those votes attached to common shares held by officers and directors of the Company.

In connection with and as a condition of the Transaction, Courtland will consolidate its shares on a 49.16 to 1 basis (the "Consolidation"). There are currently 117,315,775 Courtland Shares outstanding which will result in approximately 2,386,407 post-Consolidation Courtland Shares. TOK shareholders will be issued approximately 64.9 million post Consolidation common shares of Courtland as the 'Resulting Issuer'. The former TOK shareholders will own approximately 88% of the outstanding Courtland shares (undiluted) following completion of the Transaction and including conversion of the Courtland Debentures (as defined below). The Transaction is expected to be accounted for as a reverse take-over.

Courtland has provided funds for working capital to complete the transaction with TOK. The sum of \$100,000 CAD was loaned to TOK pursuant to a secured note bearing interest at 8% per annum and due August 23, 2018. The note is secured by a general security agreement over the assets of TOK. As at March 31, 2018, \$78,902 (December 31, 2017 - \$nil) is owing under the promissory note, representing the US dollar equivalent plus accrued interest.

See also "*Recent Developments and Outlook*" above.

On May 4, 2018, the two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining \$395,453 to December 31, 2019. The Company issued an aggregate of 440,082 common shares to settle the \$395,453 at a price of \$1.10 per share resulting in a loss on settlement of \$88,637.

Subsequent to March 31, 2018, an aggregate of 236,365 shares were issued pursuant to a private placement to investors at a price of \$1.10 per share for proceeds of \$260,000. Also in May an aggregate of 145,000 shares at a price of \$1.10 were issued to various parties, including as compensation to employees, consultants, and service providers.

Below is a summary of the share capital activity by category since March 31, 2018:

Number of Shares	Description
488,777	Issued pursuant to the conversion of convertible notes
281,819	Issued at \$1.10 per share pursuant to private placements for cash
3,890,877	Issued for services

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Number of Shares	Description
440,082	Issued to settle shareholder loans
1,818,181	Issued under SGSCC Investment Agreement
909,091	Issued under Macedonia Agreement
(1,300,000)	Shares cancelled

Off-Balance Sheet Arrangements

As of March 31, 2018, the Company has no off-balance sheet arrangements.

Critical Accounting Estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of amounts receivable, valuation of deferred income tax amounts, valuation of options, and valuation of warrants and shares issued during private placements and measurement of derivative liability.

The most significant judgments relate to recognition of deferred tax assets and liabilities.

Risk Factors

There are numerous and various risks, known and unknown, that may prevent the Company from achieving its goals. It is believed that these are the factors that could adversely affect the Company's business, financial condition or results of operation. In such case, the trading price of the Common Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that could be applicable to the business of the Company:

Limited operating history

TOK is subject to many risks common to early stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of substantial revenues. There is no assurance that TOK will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its relatively early stage of operations. TOK has no history of earnings. Because TOK has a relatively limited operating history in emerging area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

Historically TOK has financed its operations through equity and convertible debt financing. While TOK has begun to generate revenues, these revenues are not currently sufficient to support TOK's existing operation or expansion. There is no assurance TOK will be able to maintain the current level of revenue or access further equity. Due to the fact TOK operates a cannabis-related business certain financing options such as bank financing are not currently available to

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TOK. If TOK is unable to sustain or grow its revenue and not be able to attract further equity financing, TOK would suffer significant financial damage.

TOK's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Reliance on securing agreements with Licensed Suppliers

TOK currently relies on third parties for its supply of CBD in the targeted jurisdictions that have been able to obtain a license to grow industrial hemp from the appropriate regulatory authorities. Failure of a licensed supplier to comply with the requirements of their license or any failure to maintain their license would have a material adverse impact on the supply of materials and therefore the business, financial condition and operating results of TOK.

Additional financing

TOK will need to raise significant additional funds in order to support its growth, develop new products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. It will require additional financing in order to meet its plans for expansion. TOK cannot be sure that this additional financing will be available on acceptable terms, or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders.

Access to public and private capital and financing may be negatively impacted by many factors including global volatility and market turmoil generally. Such factors may impact TOK's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility and market turmoil persist, TOK's operations and financial condition could be adversely impacted.

Additionally, under U.S. federal law it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. As a result, TOK may have limited or no access to banking or other financial services in the United States. The inability or limitation in TOK's ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for TOK to operate and conduct its business as planned or to operate efficiently.

Changes in Laws, Regulations and Guidelines

The activities of TOK are subject to regulation by governmental authorities. Achievement of TOK's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TOK cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of TOK.

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TOK's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. TOK cannot predict the nature of any future laws, regulations, interpretations, policies or applications, nor can it determine what effect additional governmental regulations or administrative interpretations or procedures, when and if promulgated, could have on TOK's operations.

Changes to such laws, regulations and guidelines due to matters beyond the control of TOK may cause adverse effects to TOK's operations.

Local, state, federal and international laws and regulations governing cannabis for medicinal and adult use purposes are broad in scope and are subject to evolving interpretations, which could require TOK to incur substantial costs associated with bringing TOK's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt TOK's operations and result in a material adverse effect on its financial performance. It is beyond TOK's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can TOK determine what effect such changes, when and if promulgated, could have on TOK's business.

U.S. Federal Laws

The business operations of TOK are dependent on state laws pertaining to the cannabis industry. Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the state level. Any number of factors could slow or halt progress in this area. Further, progress, while encouraging, is not assured. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of these factors could slow or halt legal manufacturer and sale of cannabis, which would negatively impact the business of TOK.

The concepts of "medical marijuana" and "retail marijuana" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies cannabis as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, marijuana-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of marijuana are illegal under U.S. federal law. Strict compliance with state laws with respect to marijuana will neither absolve TOK of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against TOK.

Currently, thirty states and the District of Columbia allow its citizens to use medical marijuana. Additionally, eight states and the District of Columbia have legalized cannabis for adult use. The state laws are in conflict with the federal *Controlled Substances Act*, which makes marijuana use and possession illegal on a national level. The Obama administration previously effectively stated that it is not an efficient use of resources to direct law federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical marijuana. The Trump administration position is unknown. However, there is no guarantee that the Trump administration will not change current policy regarding the low-priority enforcement of federal laws. Additionally, any new administration that follows could change this policy and decide to enforce the federal laws strongly. Any such change in the federal government's enforcement of current federal laws could cause significant financial damage to us and its shareholders.

The constant evolution of laws and regulations affecting the marijuana industry could detrimentally affect TOK's operations. Local, state and federal medical marijuana laws and regulations are broad in scope and subject to changing interpretations. These changes may require TOK to incur substantial costs associated with legal and compliance fees and ultimately require TOK to alter its business plan. Furthermore, violations of these laws, or alleged violations, could disrupt the business of TOK and result in a material adverse effect on operations. In addition, TOK cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to the business of TOK.

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Local regulation could change and negatively impact on TOK's operations.

Most US states that permit cannabis for adult use or medical use provide local municipalities with the authority to prevent the establishment of medical or adult use cannabis businesses in their jurisdictions. If local municipalities where TOK or its licensed suppliers have established facilities decide to prohibit cannabis businesses from operating, TOK or its licensed suppliers could be forced to relocate operations at great cost to TOK, and TOK or its licensed suppliers may have to cease operations in such state entirely if alternative facilities cannot be secured.

TOK is dependent on intellectual property, and failure to protect the rights to use that intellectual property could adversely affect TOK's future growth and success.

TOK's failure to protect its existing intellectual property rights may result in the loss of exclusivity or the right to use the brands and technologies to which TOK has acquired or internally developed. If TOK does not adequately ensure the freedom to use this intellectual property TOK may be subject to damages for infringement or misappropriation, and/or be enjoined from using such intellectual property. In addition, it may be difficult for TOK to enforce certain of its intellectual property rights against third parties who may have inappropriately acquired interests in TOK's intellectual property rights by filing unauthorized trademark applications in foreign countries to register TOK's marks because of their familiarity with our business in the United States. Any potential intellectual property litigation could result in significant expense to TOK, adversely affect the development of sales of the challenged product or intellectual property and divert the efforts of TOK's technical and management personnel, whether or not such litigation is resolved in the favor of TOK. In the event of an adverse outcome in any such litigation, TOK may, among other things, be required to: pay substantial damages; cease the development, manufacture, use, sale or importation of products that infringe upon other patented intellectual property; expend significant resources to develop or acquire non-infringing intellectual property; discontinue processes incorporating infringing technology; or obtain licenses to the infringing intellectual property.

Regulation that may hinder TOK's ability to establish and maintain bank accounts

The U.S. federal prohibitions on the sale of cannabis may result in licensed suppliers being restricted from accessing the U.S. banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. While TOK does not anticipate dealing with banking restrictions directly relating to its business, banking restrictions could nevertheless be imposed due to TOK's banking institutions not accepting payments from licensed suppliers. Licensed suppliers at times do not have deposit services and are at risk that any bank accounts they have could be closed at any time. Such risks increase costs to TOK and licensed suppliers. Additionally, similar risks are associated with large amounts of cash at these businesses. These businesses require heavy security with respect to holding and transport of cash, whether or not they have bank accounts.

In the event that financial service providers do not accept accounts or transactions related to the cannabis industry, it is possible that licensed suppliers may seek alternative payment solutions, including but not limited to crypto currencies such as Bitcoin. There are risks inherent in crypto currencies, most notably its volatility and security issues. If the industry was to move towards alternative payment solutions and accept payments in crypto currency TOK would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. TOK's inability to manage such risks may adversely affect TOK's operations and financial performance.

Product liability, operational risk

As a manufacturer and distributor of products designed to be ingested by humans, the licensed suppliers and TOK face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis-infused products based on TOK's recipes and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of TOK's and the licensed supplier's products alone or in combination with other medications or substances could occur.

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Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by TOK are recalled due to an alleged product defect or for any other reason, TOK could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. In addition, a product recall may require significant management attention and could harm the image of the brand and Company.

Uninsurable risks

The medical and retail cannabis business is subject to several risks that could result in damage to or destruction of properties or facilities or cause personal injury or death, environmental damage, delays in production and monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and TOK may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of TOK. TOK does not currently have any insurance policies covering its properties or the operation of its business and any liabilities that may arise as a result any of the above noted risks may cause a material adverse effect on the financial condition of TOK.

Reliance on management

The success of TOK is currently dependent on the performance of its senior management. The loss of the services of these persons would have a material adverse effect on TOK's business and prospects in the short term. There is no assurance TOK can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on TOK and its prospects.

Factors which may prevent realization of growth targets

TOK is currently in the development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to TOK and its licensed suppliers:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

Risks associated with increasing competition

The cannabis industry is highly competitive. TOK will compete with numerous other businesses in the medicinal and adult use industry, many of which possess greater financial and marketing resources and other resources than TOK.

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The cannabis business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labour, and governmental regulations. Any change in these factors could materially and adversely affect TOK's operations.

TOK expects to face additional competition from new entrants. If the number of legal users of cannabis in its target jurisdiction increases, the demand for products will increase and TOK expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products.

The products sold by TOK may become subject to regulation governing food and related products

Should the Federal government legalize cannabis for medical or adult use nation-wide, it is possible that the U.S. Food and Drug Administration ("FDA") would seek to regulate the products under the *Food, Drug and Cosmetics Act of 1938*. The FDA may issue rules and regulations including certified good manufacturing practices related to the growth, cultivation, harvesting and processing of medical cannabis and cannabis-infused products. Clinical trials may be needed to verify efficacy and safety of the medical cannabis. It is also possible that the FDA would require that facilities where medical cannabis is cultivated be registered with the applicable government agencies and comply with certain federal regulations. In the event, any of these regulations are imposed, TOK cannot foresee the impact on its operations and economics. If TOK or the licensed suppliers are unable to comply with the regulations and or registration as prescribed by the FDA or another federal agency, TOK or licensed suppliers may be unable to continue to operate in its current form or at all.

Environmental and employee health and safety regulations

TOK's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. TOK will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to TOK's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TOK.

Difficult to forecast

TOK must rely largely on its own market research and its interpretation of third party data to forecast sales of its CBD products as detailed forecasts are not generally obtainable from other sources at this relatively early stage of the cannabis industry in Canada, the U.S. and internationally. A failure in the demand for its products to materialize as a result of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of TOK.

Management of growth

TOK may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of TOK to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of TOK to deal with this growth may have a material adverse effect on TOK's business, financial condition, results of operations and prospects.

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Dividends

TOK has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by TOK would be subject to tax and, potentially, withholdings.

Non-compliance with federal, provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect TOK's business.

The activities of TOK are subject to regulation by governmental authorities. Achievement of TOK's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TOK cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Business, results of operations and financial condition of TOK.

There is no certainty that the United States Food and Drug Administration ("FDA") will not enforce the use of hemp oil as a drug and prohibit use as a dietary ingredient. There is no certainty that hemp oil will be considered a grandfathered dietary ingredient under the Dietary Supplement Health and Education Act of 1994 ("DSHEA"), or would otherwise be permitted for use under the DSHEA. The FDA and other law enforcement agencies have recently taken steps to pursue companies that manufacture hemp-infused products that make health and medical claims about their products, and may take steps to pursue companies that manufacture cannabis products.

Scientific research related to the benefits of cannabis remains in early stages, is subject to a number of important assumptions and may prove to be inaccurate.

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids remains in the relatively early stages, however, clinical trials are being held at a steadily increasing pace and certain applications have even been approved for use in children. Any statements concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, any statements made herein are subject to the experimental parameters, qualifications, assumptions and limitations in the studies that have been completed.

Although TOK believes that the articles and reports, and details of research studies and clinical trials that are publicly available reasonably support its beliefs regarding the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding and perceptions relating to cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this prospectus or reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could materially impact TOK.

Negative publicity or consumer perception may affect the success of our business.

The success of the cannabis industry may be significantly influenced by the public's perception of cannabis. Both the medical and recreational use of cannabis are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to cannabis will be favourable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical and recreational cannabis is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion (whether or not accurate or with merit) relating to the consumption of cannabis, whether in Canada, the United States or elsewhere, may have a material adverse effect on our operational

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results, consumer base and financial results. Among other things, such a shift in public opinion could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which TOK could identify potential acquisition opportunities.

Certain events or developments in the cannabis industry more generally may impact TOK's reputation.

Damage to TOK's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Cannabis has often been associated with various other narcotics, violence and criminal activities, the risk of which is that our business might attract negative publicity. There is also risk that the action(s) of other participants, companies and service providers in the cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the reputation of TOK. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to TOK and its activities, whether true or not and the cannabis industry in general, whether true or not. TOK does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to TOK's overall ability to advance its business strategy and realize on its growth prospects, thereby having a material adverse impact on TOK.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the three month period ended March 31, 2018, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at March 31, 2018 covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words

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suggesting future outcomes or statements regarding an outlook. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include, without limitation: the intention to complete the listing; the description of the Company that assumes completion of the listing of its Common Shares; the intention to grow the business and operations of the Company; anticipated timing for the ability of the Company to agree to terms of royalty agreements with Licensed Operators; expected growth in the number of users of Medical Marijuana in Canada; the risk of foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained herein are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited interim condensed consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements with management. The Board of Directors has approved the unaudited interim condensed consolidated financial statements on the recommendation of the Audit Committee.

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The following Management's Discussion and Analysis ("MD&A") comments on the audited consolidated financial condition and results of operations of Tree of Knowledge Inc. for the years ended December 31, 2017 and 2016. All data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with Tree of Knowledge Inc.'s audited consolidated financial statements for the years ended December 31, 2017 and 2016 (the "financial statements"). All figures are in US dollars unless stated otherwise.

Unless the context otherwise requires, all references to "Tree of Knowledge", "TOK", "Company", "our", "us", and "we" refers to Tree of Knowledge Inc., and shall include the Company's subsidiary as the context requires.

The effective date of this MD&A is April 30, 2018. All amounts are presented in United States dollars, unless otherwise noted.

This discussion contains forward-looking statements that are historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Tree of Knowledge's future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

GOING CONCERN ASSUMPTION

The financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. As at December 31, 2017, the Company had a working capital deficiency of \$655,846 (December 31, 2016 - \$1,544,486) and an accumulated deficit of \$8,810,094 (December 31, 2016 - \$2,948,594). The Company's ability to continue to operate and meet its obligations as they come due is dependent on its main shareholder to continue to finance its operations and to successfully bring its products to market and ultimately generate sufficient revenue to attain profitable operations. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. Management of the Company believes that it will continue to have the support of its main shareholder to fund the planned operations.

OVERVIEW

Description of Business

Tree of Knowledge is a private company incorporated on April 21, 2015 in the State of Nevada. The address of the Company's head office is currently located at 1119 W. 1st Avenue, Spokane, WA 99201, and its registered office is 306, 2nd Avenue, Pasco, WA 99301, United States. TOK has six subsidiaries, Tree of Kindness, Inc. (Nevada), TOK Tech, Inc. (Washington), EVR Biosciences (UK) Ltd. (Scotland), EVR Biosciences Limited (Ireland), EVR Global Biosciences Ltd. (British Columbia) and EVR-CBD, Inc. (Washington). No subsidiary is a reporting issuer, and none of the subsidiaries' securities are registered under the securities legislation of any jurisdiction. Of the subsidiaries, only Tree of Kindness Inc. and EVR Biosciences Limited (Ireland) have active operations.

TOK sells products in the cannabishealth and wellness sectors in certain jurisdictions in the United States, Europe, South America (Brazil) and China with an outlook of expanding into Canada and other jurisdictions where such activity is permitted and/or regulated by applicable laws. TOK produces and distributes products that contain CBD derived from USDA approved industrial hemp in accordance with applicable laws and regulations.

TOK has forged relationships with quality and ethical USDA approved farmers and co-ops in Colorado to source quality industrial hemp CBD extracts. Upon receiving the extracts, TOK ensures the quality through its third-party testing protocols. All of TOK's products are made with cannabinoids extracted from controlled strains of USDA approved industrial hemp making them widely accepted internationally. The CBD contained in TOK's products is extracted from USDA approved organic and kosher grown hemp using proprietary extraction process whose output provides the purest

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product available today. TOK thoroughly tests its CBD to confirm potency and to confirm absence of heavy metals, pesticides, microbials and residual solvents. This is a quality control step which management of TOK believes many other manufacturers do not take. TOK also provides live lab test results using QR codes (smart phone enabled bar codes) on all its products.

TOK's current facility in Spokane, WA, produces the TOK CBD product lines for its customers. TOK has forged multiple relationships with other providers in the industry to outsource specialty orders for its customers. TOK currently offers 7 CBD product lines, including airless metered pens, capsules, drops, balms, creams and tinctures, which may be used in connection with the treatment of a number of ailments and for general wellness purposes. Certain of the products employ the use of a proprietary dosing mechanism

In certain circumstances, TOK may pursue business opportunities in other value chain segments, such as operating a dispensary or making strategic investments. The aim of this strategy is to secure a foothold in such markets, through obtaining a license to operate a business that is not directly related to extraction/processing and then partnering with another licensed supplier that is able to operate in the extraction/processing space.

Recent Developments and Outlook

Expansion in Canada

TOK entered into a letter of intent dated January 12, 2018, with Courtland Capital Inc. ("**CTD**"), a British Columbia corporation listed on the NEX Exchange, for the purpose of merging their businesses (the "**LOI**"). The LOI contemplates CTD acquiring all of the outstanding shares of TOK in exchange for shares of CTD. Following completion of the transaction, CTD's core business would become the business of TOK and CTD will continue doing business as "Tree of Knowledge International Corp." It is a condition to closing of the transaction that CTD apply for a listing on the Canadian Stock Exchange.

TOK entered into a letter of intent dated March 15, 2018, with Sustainable Growth Strategic Capital Corp. ("**SGSCC**"), a private Ontario corporation, that has applied to be a Canadian Licensed Producer pursuant to the *Access to Cannabis for Medical Purposes Regulations* ("**ACMPR**") in order to cultivate and distribute cannabis. The parties entered into a definitive agreement on April 5, 2018 (the "**SGSCC Investment Agreement**"). Pursuant to the SGSCC Investment Agreement, SGSCC has agreed to provide TOK with 8,000 square feet of space in its facility located at 633 Coronation Drive, Toronto, Ontario M1E 2K4 (the Canadian Facility), and manage the construction of a laboratory and clean work space to TOK's specifications. The cost is initially expected to be approximately \$12,000/month including rent and personnel. TOK has agreed to raise the required capital to build the laboratory and clean space and to fund all professional fees related to engineering, design, construction management, permits, site preparation, construction and commissioning of the space to be leased by TOK, in accordance with applicable regulations. Pursuant to the SGSCC Investment Agreement, TOK issued 1,818,181 common shares of TOK (approximately 5%) and SGSCC issued 6,666,667 common shares of SGSCC, or approximately 7% of the outstanding common shares of SGSCC. The ownership in the respective companies is intended to align the interests of the parties and provide for additional incentive to build each other's respective business.

The Canadian Facility currently has corporate offices and board rooms built that will be used by TOK for sales and marketing. About 10,000 sq. ft. of grow operations have been built by SGSCC and are awaiting approval of the ACMPR License from Health Canada. Following approval, SGSCC intends to build another 40,000 sq. ft. of grow space. Once fully built, the facility will have an oil extraction facility, research and development, processing and packaging, and an education facility for doctors and government officials. The facility is located a short drive from the Toronto International Airport. TOK intends to relocate its main office and operations to this facility upon completion of the Proposed Transaction. In addition TOK will have the option to lease an additional 80,000 square feet for expansion purposes of the approximately 150,000 square foot facility.

TOK and CTD entered into an agreement and plan of merger on April 2, 2018 (the "**Merger Agreement**"). The transaction is structured as a three-cornered merger whereby CTD will incorporate a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of CTD. The Merger Agreement is subject to a number of conditions, including but not limited to: obtaining the necessary shareholder approvals of the TOK shareholders, the consolidation of CTD common shares on a 49.16 for one basis, the completion of a shares/convertible debt financing by

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CTD in the maximum amount of \$360,000, the acceptance for listing on the Canadian Stock Exchange (“CSE”) and the concurrent delisting from the TSX Venture Exchange, as well as approvals of other applicable regulatory authorities. Assuming that no additional shares of TOK are issued other than as contemplated under the Merger Agreement, the former TOK shareholders will own 88% of the outstanding CTD shares following completion of the transaction. The proposed transaction is expected to be accounted for as a reverse take-over.

In connection with the Proposed Transaction, TOK and CTD have entered into a finder’s fee agreement whereby the finder group will receive, at Closing, a finder’s fee equal to 2.5% of the securities issued in CTD following completion of the Proposed Transaction for efforts made in introducing the parties and facilitating the Proposed Transaction. The finder pursuant to such agreement, is an Arm’s Length Party to both TOK and CTD. The finder’s fee is subject to acceptance by the CSE. The Merger Agreement may be terminated by either party if the transaction is not completed by June 30, 2018.

Subsequent to the period covered herein, all the convertible notes issued by the Company have either been converted into Common Shares or are expected to be converted into common shares. Assuming all note are in fact converted, an aggregate of \$2,322,722 will have been settled in exchange for 3,249,535 common shares. In addition, on May 4, 2018, the two founding shareholders and principals of the Company, Michael Caridi and Brian Main agreed to a settlement of a total of \$395,453 in debt owed to them by TOK, consisting of accrued salary and loans, and agreed to extend the repayment of the remaining \$395,453 to December 31, 2019. The Company issued an aggregate of 440,082 common shares to settle the \$395,453 at a price of \$1.10 per share resulting in a loss on settlement of \$88,637.

Regulatory Considerations

United States Federal Law

In the United States, thirty states, Washington D.C. and Puerto Rico have legalized medical marijuana, and nine states and Washington D.C. have legalized recreational marijuana. At the federal level, however, “marihuana” currently remains a Schedule I drug under the *Controlled Substances Act of 1970* (CSA). Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, marijuana-related practices or activities, including without limitation, the manufacture, importation, possession, use, or distribution of marijuana remain illegal under United States federal law.

Of note, U.S. federal law does not deal separately with CBD and THC and so there is a degree of uncertainty with respect to the legality of CBD-only products in the United States. Due to the fact that TOK’s products contain CBD that is derived from industrial hemp grown legally in the United States, while TOK has received a certain degree of comfort on the legality of its products, there remains a degree of uncertainty and therefore the following regulatory considerations and background information have been provided for information.

Federal Regulation of Industrial Hemp

TOK acquires hemp extracts and oils from USDA approved farmers and co-ops in Colorado. While TOK is not directly subject to regulations related to the cultivation of industrial hemp, the regulation of its third party suppliers has a significant impact upon its business. Therefore, any enforcement activity impacting TOK’s suppliers or any additional uncertainties regarding regulation of industrial hemp which may arise in the future in the United States, could cause substantial interruption or cessation of TOK’s business, including adverse impacts to our supply chain in the United States and distribution channels, and other civil and/or criminal penalties at the federal level. A summary of the history and current status of regulation of hemp and cannabinoids in the US follows.

On August 29, 2013, the U.S. Department of Justice (“DOJ”), issued a memorandum known as the “Cole Memorandum” to all U.S. Attorneys’ offices (federal prosecutors) acknowledging that, notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several states had enacted laws relating to cannabis for medical purposes. The Cole Memorandum outlined the priorities for the DOJ relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the DOJ never provided specific

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guidelines for what regulatory and enforcement systems it deemed sufficient under the Cole Memorandum standard. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority.

Prior to 2014, pursuant to the CSA, a permit from the DEA was required to grow any variety of the plant *Cannabis sativa* L. While the CSA definition of “marihuana” included an explicit exemption for certain portions of the Cannabis plant, such as the stalk and non-viable seed, sometimes referred to as “non-psychoactive hemp,” the cultivation restrictions on cannabis effectively curtailed cultivation of hemp as a domestic agricultural crop in the United States.

In 2014, Congress enacted the Agricultural Act of 2014 (the “**2014 Farm Bill**”) which provided for the cultivation of industrial hemp as part of agricultural pilot programs for adoption by individual states and research by educational institutions. Approximately 30 states implemented legislation pursuant to the 2014 Farm Bill, which include a variety of requirements relating to registration of cultivators and processors, the involvement of institutions of higher education and permissible commercialization.

In response, the DEA took action and seized shipments of viable hemp seeds into certain states thereby impacting the full implementation of the 2014 Farm Bill. Congress responded by enacting the *Consolidated and Further Continuing Appropriations Act, 2015*, which contained provisions to block federal law enforcement authorities from interfering with state agencies and hemp growers, and to counter efforts to obstruct agricultural research, stating that “none of the funds made available” to the US Justice Department and DEA “may be used in contravention” of the 2014 Farm Bill. Similar language was included in the *2016 Consolidated Appropriations Act*, and as further support, the USDA was also blocked from prohibiting the transportation, processing, sale or use of industrial hemp that is grown or cultivated in accordance with the 2014 Farm Bill. This language was carried into the *2017 Consolidated Appropriations Act* and also the most recent *Consolidated Appropriations Act, 2018* which is in effect until September 30, 2018.

On August 12, 2016, the USDA, with the concurrence of the U.S. Drug Enforcement Agency (“**DEA**”) and the U.S. Food and Drug Administration (“**FDA**”), issued a Statement of Principles on Industrial Hemp with the stated purpose of informing the public on how federal law applies to activities industrial hemp that is grown and cultivated in accordance with the 2014 Farm Bill. It acknowledged that the Statement of Principles did not establish any binding legal requirements. The USDA attempted to clarify the scope of the 2014 Farm Bill including outlining which conduct was authorized pursuant to the 2014 Farm Bill. The Statement of Principles further outlined that it did not believe the 2014 Farm Bill provided for “general commercial activity.” Criticism of the Statement of Principles ensued, including accusations by Congressional representatives alleging the Statement of Principles was seeking to administratively constrain explicit Congressional legislation.

In December 2016, the DEA published the “Final Rule” to establish a definition for “marihuana extract”. The Final Rule was initially proposed in July 2011 and final action on the proposed rule was originally scheduled for February 2012. In the Final Rule, “marihuana extract” was defined for the first time under U.S. law as “an extract containing one or more cannabinoids that has been derived from any plant of the genus *Cannabis*” and the DEA established a four-digit code for the tracking of “marihuana extract.” The DEA issued a memorandum to clarify the new drug code and claimed the rule is administrative in nature and helps the agency better track research and meet international drug treaty requirements. The memorandum stated that the new drug code was merely a subset of what has always been included in the CSA definition of marijuana. The implication was that that cannabinoids derived from marijuana or hemp were included as a Schedule I controlled substance and thus required a DEA permit.

There were questions raised as to whether the DEA had the legal authority to enact the Final Rule and the Final Rule was challenged by the Hemp Industries Association in the Ninth Circuit Court on the basis that the Final Rule unilaterally created a new drug code without following the proper administrative procedures. See *Hemp Industries Association, et al v. US DEA, et al*, Case No. 17-70162 (9th Cir. filed Jan. 13, 2017). In the DEA’s responding brief in the pending litigation on the Final Rule, the DEA conceded that it maintained no jurisdiction with regard to 2014 Farm Bill activities. Despite the DEA’s concession that it maintained no jurisdiction with regard to 2014 Farm Bill activities, in practice, there remained concern over the extent to which other federal, state and local agencies defer to the DEA’s earlier, negative position towards the 2014 Farm Bill in the Statement of Principles. Potential adverse impacts included limited, misguided enforcement by state and local authorities that might be confused by DEA’s conflicting interpretations of, and misrepresentations of the congressional intent behind, the 2014 Farm Bill hemp’s amendment.

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On April 30, 2018, the Ninth District Court, issued a memorandum pursuant to which the petition by the Hemp Industries Association was denied due to technical considerations, however, the Court did say that the industrial hemp provisions of the 2014 Farm Bill pre-empt the CSA.

Shortly after the Hemp Industries Association filed its petition blocking enforcement of the Final Rule, it filed another action seeking to direct the DEA to show cause why it should not be held in contempt for failure to comply with a 2004 order that permanently enjoined the DEA from regulating hemp fiber, stalk, sterilized seed and oil as a controlled substance. In 2003, the DEA issued two final rules: one that expanded the CSA Schedule 1 listing of synthetic THC to include THC “naturally contained in a plant of the genus *Cannabis* (cannabis plant), and a second that exempted hemp fiber, seed and oil products containing THC not intended for human consumption from control (the “**2003 Rules**”). The collective result of the 2003 Rules was to classify all naturally-occurring THC intended for human consumption as a Schedule 1 controlled substance. In 2004, the Hemp Industries Association was successful in obtaining an injunction from the Court of Appeals of the Ninth Circuit prohibiting the DEA from enforcing the 2003 Rules (with respect to non-psychoactive hemp or products containing it”). See *Hemp Industries Association v. DEA Enforcement Admin.*, 357 F. 3d 1012 (9th Cir. 2004). However, the DEA never took action as a result of the injunction, including not amending its listing of THC in Schedule 1 of the CSA. Until December 2016, the DEA also did not appear to have taken any enforcement action under the enjoined regulation, until the North Dakota Department of Agriculture advised a state-licensed farmer/producer that a planned shipment of hempseed oil out of the state would require a DEA registration, citing the federal CSA. This action prompted Hemp Industries Association to file a motion for contempt with the Court of Appeals of the Ninth Circuit for failing to comply with the 2004 injunction.

On May 25, 2018, the Hemp Industries Association reached a negotiated settlement with respect to the longstanding legal action from 2004, to uphold the legality of consumption, manufacturing and sale of hemp food products. This settlement restrains further illegal attempts and actions by the DEA to regulate hemp foods as Schedule I drugs. As noted by the Hemp Industries Association in a press release issued June 8, 2018, significantly, the DEA issued an internal and external directive to federal agencies, with language agreed to by the parties, clarifying that the mere presence of cannabinoids does not render material a controlled substance—as the issue of whether a material constitutes a drug is rather in fact determined by whether the material is derived from the non-exempt parts of the plant. The Hemp Industries Association’s hope is that this directive should provide clarity to federal agencies and minimize interference with the expanding flow of hemp commerce. This directive should also have an impact on certain states that have enacted similar Controlled Substance Acts which prohibit or narrowly restrict the distribution, sale, possession and/or use of any products containing even trace amounts of THC.

The importation of industrial hemp raw materials and finished products have historically been permitted pursuant to, and when derived from, the above-mentioned CSA exemption of certain portions of the cannabis plant from the definition of marijuana. However, the emergence of a market for CBD and cannabinoids (other than THC) derived from cannabis has increased the scrutiny of imported industrial hemp raw materials for compliance with the CSA and relevant FDA regulation with respect to products intended for use by either humans or animals. To date, TOK has not received notice from any of its retailers or distributors that they are no longer continuing to sell its products.

State Regulation of Industrial Hemp

While TOK had obtained a legal opinion that the sale of its products that contain CBD derived from industrial hemp grown in the U.S. are legal in all 50 states, there remains uncertainty. CBD may be derived from either hemp or marijuana, however, it is primarily derived from hemp. TOK’s CBD is currently derived from cannabinoids extracted from controlled strains of USDA approved industrial hemp that is certified organically grown by quality and ethical USDA approved farmers and co-ops located in Colorado that are in compliance with state and federal regulations and approved by the Colorado Department of Agriculture. Accordingly, the laws applicable to the CBD used by TOK in its products are those of the State of Colorado.

In 2012, Amendment 64 to the Colorado Constitution directed the General Assembly to enact legislation governing the cultivation, processing, and sale of industrial hemp. Legislation adopted in 2013 delegated the responsibility for establishing institutional and commercial registration and inspection regulations to the Colorado Department of Agriculture (the “CDA”). The CDA adopted rules and regulations that set forth the requirements of registration and inspection.

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After the 2014 Farm Bill's passage, the state of Colorado passed the *Industrial Hemp Regulatory Program* pursuant to *The Hemp Act of 2014* (the "**Colorado Hemp Act**"). The Colorado Hemp Act expressly authorized two categories of industrial hemp cultivation registration: (i) research and development ("**R&D**") and (ii) commercial. R&D is limited to institutions of higher education or any person or legal entity under a pilot program administered and directed by the CDA for purposes of agricultural or academic research in the development of industrial hemp. Commercial cultivation is generally understood to mean the growth of industrial hemp for any purpose including engaging in commerce, market development, and market research, by any person or legal entity other than an institution of higher education or under a pilot program administered by the CDA.

Accordingly, pursuant to bills, laws, regulations and policies set forth by the U.S. federal government and the U.S. Office of the Attorney General, the CDA has accepted, and continues to accept, Commercial Industrial Hemp Applications. All compliant Colorado Hemp Act registrations are deemed 2014 Farm Bill compliant by the federal government.

Through contract, we source all industrial hemp from 2014 Farm Bill compliant registrants and contractors to manufacture hemp extract from the hemp material. Effective, July 1, 2017, the Colorado Department of Public Health and Environment (the "**CDPHE**"), established and published its policy regarding manufacturers of products intended for human consumption made from oils (extracts) and other derivatives from industrial hemp. This policy now allows these manufacturers to register with CDPHE as a manufacturer of food products pursuant to Colorado law, where prior permit applications were previously withheld and/or unprocessed. The CDPHE policy allows for food products to be manufactured in Colorado, so long as, among other conditions, the hemp derivatives are sourced from compliant sources in good standing with governing state laws and that finished products contain no more than 0.3% THC, to be demonstrated by testing assays. Our contracted manufacturer is registered and in good standing with CDPHE; its hemp extract is, therefore, produced lawfully under Colorado state law.

Until such time as TOK relocates its operations to Canada, the TOK currently operates and distributes its products out of its facility located in Spokane, Washington. The Washington State Liquor and Cannabis control board ("**WSLCB**") manages the Washington State i502 cannabis licensing program and the state licensed operators, therein. The law creates three separate tiers: (i) marijuana producer, (ii) marijuana processor, and (iii) marijuana retailer. Specific license requirements are detailed in the rules on the WSLCB website, however, they only apply to CBD that is derived from marijuana, as compared to industrial hemp. TOK is not able to obtain a license under the i502 cannabis licensing program or otherwise in Washington as its CBD is not derived from marijuana. Similarly the licensed medicinal cannabis retail distribution channels in Washington do not include CBD products that are derived from industrial hemp. Accordingly, TOK operates in compliance with all applicable laws in the State of Washington.

When packaged into a final product for distribution, TOK believes it is operating within the bounds of federal and state law and may sell its products into various states. TOK currently supplies products to retail stores or other distributors located in 20 states in the U.S. that are in compliance with applicable regulations. There are 17 states that have specifically adopted laws legalizing CBD containing less than 0.3% THC up to as high as 8% THC, and a total of 46 states allow for medical use of CBD with a prescription from a licensed dispensary and 8 of these states have passed laws relating to recreational use of CBD.

Ongoing and Future Uncertainty of Legal Status

The latest directive by the DEA on May 22, 2018, entitled "DEA Internal Directive Regarding the Presence of Cannabinoids in Products and Materials Made from the Cannabis Plant" made it clear that products and materials made from parts of the cannabis plant that fall outside the definition of marijuana (such as sterilized seeds, oil or cake made from the seeds, and mature stalks) – namely hemp and hemp seed, even if they contain cannabinoids, are not controlled under the CSA. However, the directive was intentionally silent on industrial hemp, which is arguably the largest source of CBD in the United States. As a result, the legal status of CBD derived from industrial hemp was not clarified in the directive. The Ninth Circuit statement that the 2014 Farm Bill pre-empts the CSA, coupled with the prohibition by Congress for the use of federal funds to interfere with the "transportation, sale, or use" of industrial hemp, leads to the conclusion that CBD extracted from industrial hemp is outside the DEA's jurisdiction and can be sold interstate, at least until September, 2018, while the *2018 Consolidated Appropriations Act* remains in force.

Ultimately, there remain a number of considerations and uncertainties regarding the sourcing and distribution of

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industrial hemp and products containing hemp derivatives. Applicable laws and regulations remain subject to change as there are different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses with respect to the treatment of the importation of derivatives from exempted portions of the cannabis plant and the scope of operation of 2014 Farm Bill compliant hemp programs relative to the CSA and the emerging regulation of cannabinoids. These different federal, state and local agency interpretations, as discussed above, touch on the regulation of cannabinoids by the DEA and/or the FDA and the extent to which imported derivatives and/or 2014 Farm Bill - compliant cultivators and processors may engage in interstate commerce, whether under federal and/or state law. The uncertainties likely cannot be resolved without further federal legislation, regulation or a definitive judicial interpretation of existing legislation and rules.

Industrial hemp farming legislation has historically been re-introduced during each session of Congress, in attempts to further clarify and explicitly expand the scope of permitted industrial hemp activities within the United States. However, past legislative attempts to remove hemp from the CSA, including six bills in the House and three in the Senate since 2005, did not make it to a floor vote. Despite this, the *Hemp Farming Act of 2018* was introduced on April 12, 2018, by Senate Leader Mitch McConnell, the Republican Senator for Kentucky, with strong support from Senator Ron Wyden, the Senior Democratic Senator for Oregon, and further bi-partisan support from Jeff Merkley, the junior Democratic Senator for Oregon. The companion bill was introduced in the House of Representatives by Colorado Democratic Representative Jared Polis, as a co-sponsor. Senate Leader McConnell invoked Rule 14 which allows for by-passing the Committee review stage normally required at both the Senate and House of Representative levels. This is seen as a way to fast-track the legislation to where it can be debated and then voted on by members of each of the House of Representatives and the Senate, and then submitted to the President for adoption as a law. However, this process does not guarantee that the bill will be considered and voted upon and no vote has been set.

If passed, the *Hemp Farming Act of 2018* would amend the *Agricultural Act of 1946* to provide for state and tribal regulation of hemp production. Importantly, the *Hemp Farming Act of 2018* would also amend the CSA to specifically state that marijuana does not include "hemp" as defined in the *Agricultural Act of 1946*, and also that THC under the CSA does not include THC in hemp. The proposed definition of hemp is cast broadly to include any part of the *Cannabis sativa L.* plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, salts of isomers, whether growing or not, with a delta-9 THC concentration of not more than 0.3 percent on a dry weight basis.

The move would provide substantial support for the rapidly growing hemp industry in the U.S., and would include access to federal research funding for hemp, remove restrictions on banking, water rights, and other regulatory issues currently faced by the hemp industry. The bill would also explicitly authorize crop insurance for hemp. Senator McConnell stated: "Today, with my colleagues, I am proud to introduce the bipartisan Hemp Farming Act of 2018, which will build upon the success of the hemp pilot programs and spur innovation and growth within the industry. By legalizing hemp and empowering states to conduct their own oversight plans, we can give the hemp industry the tools necessary to create jobs and new opportunities for farmers and manufacturers around the country."

The activities of TOK are subject to evolving laws, regulations and guidelines that are subject to changes by governmental authorities in the U.S. and elsewhere. See "*Risk Factors – Changes in Laws, Regulations and Guidelines*".

FDA Regulation

Of note, CBD is considered a drug by the FDA, however, according to the FDA, prior to the recent approval on April 19, 2018, of a CBD drug application by British company GW Pharmaceuticals, to date the FDA has not approved a marketing application for marijuana for any indication. The 99% purity CBD drug was approved by the FDA for treatment of rare, severe, refractory epilepsy syndromes in early childhood.

There is substantial uncertainty and different interpretations among state and federal regulatory agencies, legislators, academics and businesses as to whether cannabinoids as an ingredient were present in the food supply without being chemically altered, and marketed in the United States prior to October 15, 1994, or whether such inclusion of cannabinoids is otherwise approved by the FDA as a dietary ingredient. This determination is relevant as dietary ingredients marketed in the United States prior to October 15, 1994 may be used in dietary supplements without notifying the FDA. A position on this matter has not been definitively established by the FDA. Should the FDA decide

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to make a determination that hemp products containing cannabinoids were not present in the food supply and marketed prior to October 15, 1994, or are not otherwise approved by the FDA as a dietary ingredient, or are adulterants, this would have a materially adverse effect upon our business. The FDA may issue rules and regulations including requiring certified good manufacturing practices related to the growth, cultivation, harvesting and processing of CBD-infused products, and clinical trials may be needed to verify efficacy and safety of the products. Since 2015, to date, the FDA and other law enforcement agencies have recently taken steps to pursue companies that manufacture CBD- infused products that make health and medical claims about their products, and may take steps to pursue companies that manufacture cannabis products. TOK is careful not to make any health and medical claims in the marketing of its products. See “*Risk Factors*”.

Enforcement of U.S. Federal Laws

Although federally illegal, following the issuance of the Cole Memorandum, the U.S. federal government’s approach to enforcement of such laws has at least until recently trended toward non-enforcement. While not legally binding, and merely prosecutorial guidance, the Cole Memorandum laid a framework for managing the tension between state and federal laws concerning state-regulated marijuana businesses.

However, on January 4, 2018 the Cole Memorandum was rescinded by Attorney General Jeff Sessions, a long-time opponent of state-regulated medical and recreational cannabis. While this did not create a change in federal law, as the Cole Memorandum was not itself law, the revocation removed the DOJ’s guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum’s guidelines should not be a prosecutorial priority.

In addition to his rescission of the Cole Memorandum, A.G. Sessions also issued a one-page memorandum known as the “Sessions Memorandum.” The Sessions Memorandum confirmed the rescission of the Cole Memorandum and explained the rationale of the DOJ in doing so: the Cole Memorandum, according to the Sessions Memorandum, was “unnecessary” due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney’s Manual (the “USAM”).

The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government’s limited resources, and include “law enforcement priorities set by the Attorney General,” the “seriousness” of the alleged crimes, the “deterrent effect of criminal prosecution,” and “the cumulative impact of particular crimes on the community.”

While the Sessions Memorandum emphasizes that marijuana is a Schedule I controlled substance, and reiterates the statutory view that cannabis is a “dangerous drug and that marijuana activity is a serious crime,” it does not otherwise indicate that the prosecution of marijuana-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly described itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether or not to prosecute marijuana-related offenses. TOK monitors all U.S. Attorney comments related to regulated medical and adult-use cannabis laws to assess various risks and enforcement priorities within each jurisdiction. Dozens of U.S. Attorneys across the country have affirmed that their view of federal enforcement priorities has not changed, although a few have displayed greater ambivalence. In California, at least one U.S. Attorney has made comments indicating a desire to enforce the CSA: Adam Braverman, Interim U.S. Attorney for the Southern District of California, has been viewed as a potential enforcement hawk after stating that the rescission of the Cole Memorandum “returns trust and local control to federal prosecutors” to enforce the CSA. Additionally, Greg Scott, the Interim U.S. Attorney for the Eastern District of California, has a history of prosecuting medical cannabis activity: his office published a statement that cannabis remains illegal under federal law, and that his office would “evaluate violations of those laws in accordance with our district’s federal law enforcement priorities and resources.”

It is too soon to determine what prosecutorial effects will be created by the rescission of the Cole Memorandum. While initial fears of a nationwide “crackdown” have not yet materialized, considerable uncertainty remains.

Regardless, marijuana remains a Schedule I controlled substance at the federal level, and neither the Cole Memorandum nor its rescission has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. From a purely legal perspective, the criminal risk today remains identical to the

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risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered.

Additionally, under U.S. federal law it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. Despite these laws, the U.S. Department of the Treasury issued a memorandum in February of 2014 (the "**FinCEN Memorandum**") outlining the pathways for financial institutions to bank state sanctioned marijuana businesses. Under these guidelines, financial institutions must submit a "suspicious activity report" ("**SAR**") as required by federal money laundering laws. These marijuana related SARs are divided into three categories: marijuana limited, marijuana priority, and marijuana terminated, based on compliance with state law, or where the banking relationship has been terminated.

Further, the provisions of Internal Revenue Code section 280E are being applied by the Internal Revenue Service ("**IRS**") to businesses operating in the medical and adult use marijuana industry. Section 280E of the IRS prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be. See "*Risk Factors*".

On the same day the FinCEN Memorandum was published, the DOJ issued a memorandum (the "**2014 Cole Memo**") directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. The 2014 Cole Memo has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes was not a DOJ priority.

However, Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memo and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum can act as a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact.

For the reasons set forth above, TOK's business in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, TOK may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on TOK's ability to carry on its business in the United States or any other jurisdiction. See "*Risk Factors*".

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to revoke existing legislation or abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of state jurisdictions into which TOK could expand. Any inability to fully implement TOK's expansion strategy may have a material adverse effect on TOK's business, financial condition and results of operations. See "*Risk Factors*".

Further, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on TOK, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares.

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In addition, it is difficult for TOK to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. See "Risk Factors".

U.S. Enforcement Proceedings

Although the Cole Memorandum and 2014 Cole Memo have been rescinded, one legislative safeguard for the medical marijuana industry remains in place: Congress has used a rider provision in the FY 2015, 2016 and 2017 Consolidated Appropriations Acts (currently the "**Rohrabacher-Leahy Amendment**") to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. The Rohrabacher-Leahy Amendment was included in the FY 2018 budget in the *Consolidated Appropriations Act, 2018*, passed on March 23, 2018, meaning that, the Rohrabacher-Leahy Amendment will only remain in effect until September 30, 2018, when FY 2019 begins. Any further legislative safeguards for the medical marijuana industry will need to be reintroduced.

TOK operates in a highly regulated industry, which to date remains illegal under U.S. federal law and is relatively new in most U.S. states. There is no certainty that any of the local, state, or federal governments of jurisdictions where TOK operates will continue to maintain current regulatory regimes, changes to regulatory regimes could adversely affect TOK's operations. Please see the "*Risk Factors*" section.

Ability to Access Public and Private Capital

TOK has historically, and continues to have, access to equity and debt financing from the prospectus exempt (private placement) markets in Canada and the United States. While TOK is not able to obtain bank financing in the U.S. or financing from other U.S. federally regulated entities, it currently has access to equity financing through the private markets in Canada and the U.S. TOK's executive team and board also have extensive relationships with sources of private capital (such as funds and high net worth individuals), that could be investigated at a higher cost of capital.

If such equity and/or debt financing was no longer available in the public markets in Canada due to changes in applicable law, then TOK expects that it would have access to raise equity and/or debt financing privately. Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals and family offices that have made meaningful investments in companies and projects similar to TOK's projects. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to TOK when needed or on terms which are acceptable. TOK's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See "*Risk Factors – Additional Financing*".

Canadian Law

Legal access to dried cannabis for medical purposes was first allowed in Canada in 1999 through Section 56 Exemptions under the *Controlled Drugs and Substances Act* ("**CDSA**"). The decision of the Court of Appeal for Ontario in 2000 in *R. v. Parker* held that individuals with a medical need had the right to possess cannabis for medical purposes. This led to the implementation of the *Medical Marijuana Access Regulations* in 2001, giving residents of Canada, who had been authorized by their health care practitioners, access to cannabis for medical purposes by producing their own cannabis plants, designating someone to do so on their behalf, or purchasing cannabis from Health Canada.

In June 2015, the Supreme Court of Canada decided in *R. v. Smith* that restricting legal access to only dried cannabis was unconstitutional. The Court decided that individuals with a medical need have the right to use and make other cannabis products. To eliminate uncertainty around a legal source of supply of cannabis, in July 2015 the Minister issued Section 56 Exemptions under the CDSA to allow, among other things, licensed producers to produce and sell cannabis oil and fresh cannabis in addition to dried cannabis, and to allow authorized users to possess and alter different forms of cannabis.

On August 24, 2016, the Access to Cannabis for Medical Purposes Regulations ("**ACMPR**") were enacted as a result of

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a decision by the Federal Court of Canada in February 2016, in *Allard v. Canada*, which found that requiring individuals to obtain cannabis only from licensed producers violated liberty and security rights protected by section 7 of the Canadian Charter of Rights and Freedoms. The Court found that individuals who require cannabis for medical purposes did not have "reasonable access" under the former regime.

The ACMPR are the current governing regulations regarding the production, sale, and distribution of cannabis products, including cannabis oil and CBD, in Canada. Canada's *Industrial Hemp Regulations* came into force on March 12, 1998 and provides a regulatory approval process for the commercial production of industrial hemp for persons in Canada engaged in the cultivation, distribution, importation, exportation, and processing of industrial hemp. Industrial hemp includes cannabis plants and plant parts, of any variety, that contains 0.3% THC or less in the leaves and flowering heads. Industrial hemp also includes the derivatives of industrial hemp plants and plant parts, however, it does not currently include the flowering parts or the leaves. Examples of derivatives that are considered industrial hemp include: hemp seed oil (oil derived from seed or grain) and hemp flour. CBD is specifically included in Schedule II to the CDSA, for which possession is an indictable offence, unless the person has a prescription under the ACMPR.

The process of becoming a licensed producer is rigorous and management of TOK believes that this process presents a significant barrier to entry for prospective licensees. In addition, Health Canada requires rigorous testing of cannabis products and derivatives provided by licensed producers. A licensed producer is subject to a wide variety of compliance and enforcement activities conducted by Health Canada after it has received its license.

On April 20, 2016, the Government of Canada announced its intention to introduce, by the spring of 2017, legislation to legalize the recreational use of cannabis in Canada. On April 13, 2017, the *Cannabis Act* was introduced. The *Cannabis Act* provides a licensing and permitting scheme for the production, testing, packaging, labelling, sending, delivery, transportation, sale, possession, and disposal of cannabis, to be implemented by regulations made under the *Cannabis Act*.

Under the proposed legislation, the production, sale and possession of certain amounts of cannabis will be legal federally, though provinces will ultimately decide how cannabis, including CBD products, will be distributed and sold within their boundaries, subject to federal requirements. The *Cannabis Act* will create a highly regulated landscape for businesses looking to produce, distribute or deal in cannabis products. However, the *Cannabis Act* does not address in detail a number of key issues, including relating to labelling, marketing, transition, licensing requirements and taxes. These will need to be addressed by the Canadian Government in regulations and rules over the next year or more, and the Canadian Government will also need to work out issues with the provinces and municipalities.

The Cannabis Act was passed by the Senate on June 19, 2018, however, until it is declared in force, existing laws (including criminal sanctions) will continue to apply. The Cannabis Act is expected to be declared in force on October 17, 2018.

As the cannabis industry expands in Canada, cannabis-related businesses will increasingly seek banking and financial services from Canadian financial institutions. Cannabis related businesses may be considered high-risk clients under the Canadian anti-money laundering regime. The current licensing regime for medicinal cannabis producers is comprehensive and requires that the Canadian Government complete extensive reviews and background checks on each licensed producer. A similarly comprehensive licensing regime is expected under the new legislation to legalize recreational cannabis. While Management of TOK hopes that financial institutions will rely on the government's stringent vetting process to confirm the legitimacy of a cannabis producer, the decision to open any particular cannabis-related account will ultimately be made by each financial institution.

Health Canada data shows that 201,398 patients in Canada were registered to use medical marijuana by the end June of 2017, establishing a market worth in excess of \$100 million. By 2024, Health Canada estimates that the number of patients using medical marijuana will grow to 450,000, creating a market worth an estimated \$1.3 billion.

European Law

As reported by the European Industrial Hemp Association ("EIHA"), there is no or only a patchwork of CBD regulation in Europe. In contrast to tetrahydrocannabinol (THC), natural CBD is not psychotropic and non-intoxicating. Therefore, the EIHA believes it is just and reasonable that CBD is not covered by the national narcotic acts or drug regulations of

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the 27 EU Member States (from 28 with the exception of Slovakia) and that CBD is not restricted by any EU legislation. However, regarding CBD-containing hemp extracts, the situation is not as clear as for CBD as a pure substance, because it could also contain THC, which is covered by national narcotics acts in EU Member States.

The Health Products Regulatory Authority of Ireland (the “HPRA”) published a report dated January 31, 2017, entitled “*Cannabis for Medical Use – A Scientific Study*”. It defined CBD as: Non-psychoactive constituent of cannabis, sedative and anti-convulsant properties. CBD does not act via the endocannabinoid system. It was noted that CBD is not controlled under the *Misuse of Drugs Regulations, 1988*, as amended, the major piece of legislation with governs the EU Member States.

Brazil Law

Brazil is an Exceptional Use jurisdiction. Companies can only send those products to patients in Brazil that are registered with Brazilian Health Surveillance Agency (Agência Nacional de Vigilância Sanitária (“ANVISA”), the Brazilian governmental authority. ANVISA was created on January 26, 1999, by Law No. 9,782. It is a governmental regulatory agency characterized by its administrative independence, financial autonomy, and the stability of its directors. ANVISA is governed by a Collegiate Board of Directors composed of five members. In the federal public administrative structure, the agency is connected to the Ministry of Health, Brazil, with whom a periodic management contract is signed.

On March 18, 2016, ANVISA enacted a resolution which was published in the country’s Official Gazette on March 21, 2016. The resolution allows the prescription and the import of products containing CBD or THC in their formulation. The authorization to import these products is granted to individuals for their own exclusive use in health care, and the import must meet all the legal provisions including those relating to good manufacturing practices. The patient or a legal guardian must apply to ANVISA (on the proper form) for exceptional authorization to import and use the product. Along with the form, the person must also include the prescription, a medical report, and a statement of responsibility and clarification signed by the physician and the patient or a legal guardian. In addition, the products to be imported must be legally authorized and manufactured in their countries of origin. A patient’s registration is valid for one year and can be renewed, if it is necessary.

The regulatory requirements in Brazil are extremely complex. TOK has been working with consultants, regulatory and medical specialists to meet the requirements. TOK currently has approvals for 3 product lines in Brazil. TOK is working on additional product lines and developing new product lines for the markets in Brazil.

Key Financing Developments

During the year ended December 31, 2017, the Company closed its non-brokered private placement of unsecured convertible debentures for total gross proceeds of \$1,795,000. The rate of interest on the debentures is 8% per annum, payable upon maturity, with a term of 1 year. The notes are subject to a mandatory conversion into shares of common stock at a conversion price of 25% discount to the market price of the Company’s first offering of shares after issuance of the notes.

Selected Annual Information

Summarized selected financial information with respect to Tree of Knowledge is as follows:

	Year ended December 31, 2016 (\$)	Year ended December 31, 2016 (\$)	Period from April 21 (date of incorporation), to December 31, 2015 (\$)
Revenue	394,081	480,904	16,027
Total expenses	(5,752,671)	(1,176,922)	(1,646,912)
Net loss and comprehensive loss	(5,861,500)	(1,225,788)	(1,722,806)
Loss per share	(0.32)	(0.10)	(0.19)
Total assets	656,310	248,518	243,572

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Total liabilities	958,840	1,674,294	614,610
Shareholders' Deficiency	(302,530)	(1,425,776)	(371,038)

Operating results for the years ended December 31, 2017 and 2016

For the year ended December 31, 2017, the revenue was \$394,081, which decreased in comparison to revenue of \$480,904, in the prior year ended 2016. The Company had cost of sales of \$256,566 and \$444,300 respectively for the years ended December 31, 2017 and 2016. This translated in gross margin of \$137,515 or 35% and \$36,604 or 8% for the years ended December 31, 2017 and 2016 respectively. Gross margin was lower in the comparable period due to higher start-up costs in the full first year of operations.

For the year ended December 31, 2017, total operating expenses were \$5,752,671 (2016 - \$1,176,922), an increase of \$4,575,749. The primary reason for the increase was due to shares issued for services whereby 7,269,032 shares were issued or slated to be issued for services provided, resulting in an increase in salaries and benefit expenses to \$4,971,862 during the year ended December 31, 2017 compared to 280,000 shares issued and related \$750,453 expense during the comparable year ended December 31, 2016.

In addition to the above, the increase in operating expenses during the year ended December 31, 2017 compared to the prior year was largely related to an increase in:

- Professional fees of \$183,550 (2016 - \$32,180) as the Company incurred professional fees in connection with bringing its accounting records up to date as well as legal fees as it works towards a going public transaction,
- Travel and promotion expenses of \$302,569 (2016 - \$64,674), as the Company spent money on various marketing and strategic campaigns to increase its brand awareness and sales.

Selected financial information for the previous quarters as follows:

Quarter ended	Revenues	Net loss and comprehensive loss	Net loss per share
December 31, 2017	\$146,514	\$(464,999)	\$(0.03)
September 30, 2017	\$63,646	\$(958,356)	\$(0.02)
June 30, 2017	\$73,234	\$(1,872,196)	\$(0.13)
March 31, 2017	\$110,687	\$(2,457,120)	\$(0.18)
December 31, 2016	\$217,440	\$(325,251)	\$(0.03)
September 30, 2016	\$154,700	\$(147,832)	\$(0.01)
June 30, 2016	NA	NA	NA
March 31, 2016	NA	NA	NA

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities

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when due. As at December 31, 2017, the Company had working capital deficiency of \$655,846 (December 31, 2016 – working capital deficiency of \$1,544,486), current assets of \$302,994 (December 31, 2016 - \$129,808) and current liabilities of \$958,840 (December 31, 2016 - \$1,674,294). All the Company's financial liabilities and receivables have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash flow used in operating activities in the year ended December 31, 2017, increased to \$1,446,985 from the cash flow used in operation activities of \$696,197 in the prior year. The increase in the cash flow from operating activities are due to increases in net loss as well as paydown of accounts payable and accrued liabilities.

Cash flow used in investing activities was \$300,419 for the year ended December 31, 2017 compared to the prior year of \$nil. The increase was primarily due to the acquisition of equipment.

Cash generated in financing activities was \$1,755,288 for the year ended December 31, 2017 compared to the prior year of \$703,392. The Company completed several tranches of convertible debt financings which generated net proceeds of \$1,735,000 which accounted for the primary increase in funds generated from financing activities.

Foreign currency exchange risk

The Company conducts a portion of its purchases in Canadian dollars which results in the foreign currency exchange risk. The Company does not consider its exposure to foreign currency exchange risk to be material.

An increase (decrease) of 10% in the currency exchange rate of the Canadian dollar versus US dollar would have impacted net loss by \$100 (2016 - \$100) as a result of the Company's exposure to currency exchange rate fluctuations.

Interest rate risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. Financial instruments that potentially subject the Company to interest rate risk include financial liabilities with fixed interest rates.

The Company manages interest rate risk by monitoring market conditions and the impact of interest rate fluctuations on its debt.

Net earnings are sensitive to the impact of a change in interest rates on the average balance of interest bearing financial assets during the year.

An increase (decrease) of 25 basis points would have impacted net loss by \$100 (2016 - \$100) because of the Company's exposure to interest rate fluctuations.

Related Party Transactions and Key Management Compensation

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

For the year ended December 31, 2017, \$150,000 (year ended December 31, 2016 - \$173,465) was incurred for salary to Brian Main, President.

For the year ended December 31, 2017, \$150,000 (year ended December 31, 2016 - \$150,000) was incurred for salary to Michael Caridi, Vice-President.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at December 31, 2017, \$51,521 (December 31, 2016 - \$37,614) is included in accounts payable and accrued liabilities.

As at December 31, 2017, nil shares with a value of \$nil (December 31, 2016 – 3,000,000 shares with value of \$6,000) are due to the President and Vice-President and are included under shares to be issued.

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As at December 31, 2017, convertible debentures with principal balance of \$nil (December 31, 2016 - \$239,000) as well as accrued interest of \$nil (December 31, 2016 - \$30,555) for a total of \$nil (December 31, 2016 - \$243,251) is owing to a Company controlled by a related party.

During the years ended December 31, 2017, 2016 and 2015, various loans were provided to the Company by directors and officers. As at December 31, 2017 \$698,210 (December 31, 2016 - \$684,500) is outstanding. The amount is non-interest bearing, unsecured, without fixed terms of repayment and due on demand.

Disclosure of outstanding share data

As at December 31, 2017, the Company had 25,776,883 common shares outstanding. As at April 30, 2018, the Company had 34,770,521 common shares outstanding.

Subsequent events

Subsequent to December 31, 2017, 2,765,170 shares were issued to convertible noteholders in connection with the mandatory conversion clause which was triggered on December 26, 2017 whereby notices were sent to the note holders for the mandatory conversions of their notes.

On April 2, 2018, the Company entered into a merger agreement (the "Merger Agreement") in respect of an arm's length agreement whereby Courtland Capital Inc. is set to acquire the business of Tree of Knowledge Inc. (the "Transaction") and to change its name to Tree of Knowledge International Corp.

The Transaction is structured as a three-cornered merger whereby Courtland will form a subsidiary in Nevada to merge with TOK, and the shareholders of TOK will receive common shares of Courtland. The Merger Agreement is subject to a number of conditions, including but not limited to: (a) obtaining the necessary shareholder approvals of the TOK shareholders, (b) the continuation of the Company from the laws of British Columbia to the laws of Canada, (c) the acceptance for listing on the Canadian Stock Exchange ("CSE") and the concurrent delisting from the TSX Venture Exchange, (d) as well as approvals of other applicable regulatory authorities.

The annual general and special meeting of the Courtland shareholders has been called to be held on May 2, 2018 (the "Meeting"). The delisting of the Courtland common shares from the TSX Venture Exchange will require the approval of a majority of the votes cast at the Meeting by the holders of the common shares, as well as a majority of the votes cast at the Meeting, excluding those votes attached to common shares held by officers and directors of the Company.

In connection with and as a condition of the Transaction, Courtland will consolidate its shares on a 49.16 to 1 basis (the "Consolidation"). There are currently 117,315,775 Courtland Shares outstanding which will result in approximately 2,386,407 post-Consolidation Courtland Shares. TOK shareholders will be issued approximately 64.9 million post Consolidation common shares of Courtland as the 'Resulting Issuer'. The former TOK shareholders will own approximately 88% of the outstanding Courtland shares (undiluted) following completion of the Transaction and including conversion of the Courtland Debentures (as defined below). The Transaction is expected to be accounted for as a reverse take-over.

See also "*Recent Developments and Outlook*" above.

Off-Balance Sheet Arrangements

As of December 31, 2017, the Company has no off-balance sheet arrangements.

Critical Accounting Estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management

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evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of amounts receivable, valuation of deferred income tax amounts, valuation of options, and valuation of warrants and shares issued during private placements and measurement of derivative liability.

The most significant judgments relate to recognition of deferred tax assets and liabilities.

Risk Factors

There are numerous and various risks, known and unknown, that may prevent the Company from achieving its goals. It is believed that these are the factors that could adversely affect the Company's business, financial condition or results of operation. In such case, the trading price of the Common Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that could be applicable to the business of the Company:

Limited operating history

TOK is subject to many risks common to early stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of substantial revenues. There is no assurance that TOK will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its relatively early stage of operations. TOK has no history of earnings. Because TOK has a relatively limited operating history in emerging area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

Historically TOK has financed its operations through equity and convertible debt financing. While TOK has begun to generate revenues, these revenues are not currently sufficient to support TOK's existing operation or expansion. There is no assurance TOK will be able to maintain the current level of revenue or access further equity. Due to the fact TOK operates a cannabis-related business certain financing options such as bank financing are not currently available to TOK. If TOK is unable to sustain or grow its revenue and not be able to attract further equity financing, TOK would suffer significant financial damage.

TOK's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Reliance on securing agreements with Licensed Suppliers

TOK currently relies on third parties for its supply of CBD in the targeted jurisdictions that have been able to obtain a license to grow industrial hemp from the appropriate regulatory authorities. Failure of a licensed supplier to comply with the requirements of their license or any failure to maintain their license would have a material adverse impact on the supply of materials and therefore the business, financial condition and operating results of TOK.

Additional financing

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TOK will need to raise significant additional funds in order to support its growth, develop new products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. It will require additional financing in order to meet its plans for expansion. TOK cannot be sure that this additional financing will be available on acceptable terms, or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders.

Access to public and private capital and financing may be negatively impacted by many factors including global volatility and market turmoil generally. Such factors may impact TOK's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility and market turmoil persist, TOK's operations and financial condition could be adversely impacted.

Additionally, under U.S. federal law it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. As a result, TOK may have limited or no access to banking or other financial services in the United States. The inability or limitation in TOK's ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for TOK to operate and conduct its business as planned or to operate efficiently.

Changes in Laws, Regulations and Guidelines

The activities of TOK are subject to regulation by governmental authorities. Achievement of TOK's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TOK cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of TOK.

TOK's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. TOK cannot predict the nature of any future laws, regulations, interpretations, policies or applications, nor can it determine what effect additional governmental regulations or administrative interpretations or procedures, when and if promulgated, could have on TOK's operations.

Changes to such laws, regulations and guidelines due to matters beyond the control of TOK may cause adverse effects to TOK's operations.

Local, state, federal and international laws and regulations governing cannabis for medicinal and adult use purposes are broad in scope and are subject to evolving interpretations, which could require TOK to incur substantial costs associated with bringing TOK's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt TOK's operations and result in a material adverse effect on its financial performance. It is beyond TOK's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can TOK determine what effect such changes, when and if promulgated, could have

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on TOK's business.

U.S. Federal Laws

The business operations of TOK are dependent on state laws pertaining to the cannabis industry. Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the state level. Any number of factors could slow or halt progress in this area. Further, progress, while encouraging, is not assured. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of these factors could slow or halt legal manufacturer and sale of cannabis, which would negatively impact the business of TOK.

The concepts of "medical marijuana" and "retail marijuana" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies cannabis as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, marijuana-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of marijuana are illegal under U.S. federal law. Strict compliance with state laws with respect to marijuana will neither absolve TOK of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against TOK.

Currently, thirty states and the District of Columbia allow its citizens to use medical marijuana. Additionally, eight states and the District of Columbia have legalized cannabis for adult use. The state laws are in conflict with the federal *Controlled Substances Act*, which makes marijuana use and possession illegal on a national level. The Obama administration previously effectively stated that it is not an efficient use of resources to direct law federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical marijuana. The Trump administration position is unknown. However, there is no guarantee that the Trump administration will not change current policy regarding the low-priority enforcement of federal laws. Additionally, any new administration that follows could change this policy and decide to enforce the federal laws strongly. Any such change in the federal government's enforcement of current federal laws could cause significant financial damage to us and its shareholders.

The constant evolution of laws and regulations affecting the marijuana industry could detrimentally affect TOK's operations. Local, state and federal medical marijuana laws and regulations are broad in scope and subject to changing interpretations. These changes may require TOK to incur substantial costs associated with legal and compliance fees and ultimately require TOK to alter its business plan. Furthermore, violations of these laws, or alleged violations, could disrupt the business of TOK and result in a material adverse effect on operations. In addition, TOK cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to the business of TOK.

Local regulation could change and negatively impact on TOK's operations.

Most US states that permit cannabis for adult use or medical use provide local municipalities with the authority to prevent the establishment of medical or adult use cannabis businesses in their jurisdictions. If local municipalities where TOK or its licensed suppliers have established facilities decide to prohibit cannabis businesses from operating, TOK or its licensed suppliers could be forced to relocate operations at great cost to TOK, and TOK or its licensed suppliers may have to cease operations in such state entirely if alternative facilities cannot be secured.

TOK is dependent on intellectual property, and failure to protect the rights to use that intellectual property could adversely impact TOK's future growth and success.

TOK's failure to protect its existing intellectual property rights may result in the loss of exclusivity or the right to use the brands and technologies to which TOK has acquired or internally developed. If TOK does not adequately ensure the freedom to use this intellectual property TOK may be subject to damages for infringement or misappropriation, and/or be enjoined from using such intellectual property. In addition, it may be difficult for TOK to enforce certain of its intellectual property rights against third parties who may have inappropriately acquired interests in TOK's

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intellectual property rights by filing unauthorized trademark applications in foreign countries to register TOK's marks because of their familiarity with our business in the United States. Any potential intellectual property litigation could result in significant expense to TOK, adversely affect the development of sales of the challenged product or intellectual property and divert the efforts of TOK's technical and management personnel, whether or not such litigation is resolved in the favor of TOK. In the event of an adverse outcome in any such litigation, TOK may, among other things, be required to: pay substantial damages; cease the development, manufacture, use, sale or importation of products that infringe upon other patented intellectual property; expend significant resources to develop or acquire non-infringing intellectual property; discontinue processes incorporating infringing technology; or obtain licenses to the infringing intellectual property.

Regulation that may hinder TOK's ability to establish and maintain bank accounts

The U.S. federal prohibitions on the sale of cannabis may result in licensed suppliers being restricted from accessing the U.S. banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. While TOK does not anticipate dealing with banking restrictions directly relating to its business, banking restrictions could nevertheless be imposed due to TOK's banking institutions not accepting payments from licensed suppliers. Licensed suppliers at times do not have deposit services and are at risk that any bank accounts they have could be closed at any time. Such risks increase costs to TOK and licensed suppliers. Additionally, similar risks are associated with large amounts of cash at these businesses. These businesses require heavy security with respect to holding and transport of cash, whether or not they have bank accounts.

In the event that financial service providers do not accept accounts or transactions related to the cannabis industry, it is possible that licensed suppliers may seek alternative payment solutions, including but not limited to crypto currencies such as Bitcoin. There are risks inherent in crypto currencies, most notably its volatility and security issues. If the industry was to move towards alternative payment solutions and accept payments in crypto currency TOK would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. TOK's inability to manage such risks may adversely affect TOK's operations and financial performance.

Product liability, operational risk

As a manufacturer and distributor of products designed to be ingested by humans, the licensed suppliers and TOK face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis-infused products based on TOK's recipes and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of TOK's and the licensed supplier's products alone or in combination with other medications or substances could occur.

Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by TOK are recalled due to an alleged product defect or for any other reason, TOK could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. In addition, a product recall may require significant management attention and could harm the image of the brand and Company.

Uninsurable risks

The medical and retail cannabis business is subject to several risks that could result in damage to or destruction of properties or facilities or cause personal injury or death, environmental damage, delays in production and monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and TOK may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they

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Management's Discussion and Analysis of Financial Condition and Results of Operations For the years ended December 31, 2017 and 2016

could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of TOK. TOK does not currently have any insurance policies covering its properties or the operation of its business and any liabilities that may arise as a result any of the above noted risks may cause a material adverse effect on the financial condition of TOK.

Reliance on management

The success of TOK is currently dependent on the performance of its senior management. The loss of the services of these persons would have a material adverse effect on TOK's business and prospects in the short term. There is no assurance TOK can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on TOK and its prospects.

Factors which may prevent realization of growth targets

TOK is currently in the development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to TOK and its licensed suppliers:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

Risks associated with increasing competition

The cannabis industry is highly competitive. TOK will compete with numerous other businesses in the medicinal and adult use industry, many of which possess greater financial and marketing resources and other resources than TOK. The cannabis business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labour, and governmental regulations. Any change in these factors could materially and adversely affect TOK's operations.

TOK expects to face additional competition from new entrants. If the number of legal users of cannabis in its target jurisdiction increases, the demand for products will increase and TOK expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products.

The products sold by TOK may become subject to regulation governing food and related products

Should the Federal government legalize cannabis for medical or adult use nation-wide, it is possible that the U.S. Food and Drug Administration ("FDA") would seek to regulate the products under the *Food, Drug and Cosmetics Act of 1938*. The FDA may issue rules and regulations including certified good manufacturing practices related to the growth, cultivation, harvesting and processing of medical cannabis and cannabis-infused products. Clinical trials may be needed to verify efficacy and safety of the medical cannabis. It is also possible that the FDA would require that

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facilities where medical cannabis is cultivated be registered with the applicable government agencies and comply with certain federal regulations. In the event, any of these regulations are imposed, TOK cannot foresee the impact on its operations and economics. If TOK or the licensed suppliers are unable to comply with the regulations and or registration as prescribed by the FDA or another federal agency, TOK or licensed suppliers may be unable to continue to operate in its current form or at all.

Environmental and employee health and safety regulations

TOK's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. TOK will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to TOK's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TOK.

Difficult to forecast

TOK must rely largely on its own market research and its interpretation of third party data to forecast sales of its CBD products as detailed forecasts are not generally obtainable from other sources at this relatively early stage of the cannabis industry in Canada, the U.S. and internationally. A failure in the demand for its products to materialize as a result of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of TOK.

Management of growth

TOK may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of TOK to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of TOK to deal with this growth may have a material adverse effect on TOK's business, financial condition, results of operations and prospects.

Dividends

TOK has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by TOK would be subject to tax and, potentially, withholdings.

Non-compliance with federal, provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect TOK's business.

The activities of TOK are subject to regulation by governmental authorities. Achievement of TOK's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TOK cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Business, results of operations and financial condition of TOK.

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There is no certainty that the United States Food and Drug Administration ("FDA") will not enforce the use of hemp oil as a drug and prohibit use as a dietary ingredient. There is no certainty that hemp oil will be considered a grandfathered dietary ingredient under the Dietary Supplement Health and Education Act of 1994 ("DSHEA"), or would otherwise be permitted for use under the DSHEA. The FDA and other law enforcement agencies have recently taken steps to pursue companies that manufacture hemp-infused products that make health and medical claims about their products, and may take steps to pursue companies that manufacture cannabis products.

Scientific research related to the benefits of cannabis remains in early stages, is subject to a number of important assumptions and may prove to be inaccurate.

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids remains in the relatively early stages, however, clinical trials are being held at a steadily increasing pace and certain applications have even been approved for use in children. Any statements concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, any statements made herein are subject to the experimental parameters, qualifications, assumptions and limitations in the studies that have been completed.

Although TOK believes that the articles and reports, and details of research studies and clinical trials that are publicly available reasonably support its beliefs regarding the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding and perceptions relating to cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this prospectus or reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could materially impact TOK.

Negative publicity or consumer perception may affect the success of our business.

The success of the cannabis industry may be significantly influenced by the public's perception of cannabis. Both the medical and recreational use of cannabis are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to cannabis will be favourable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical and recreational cannabis is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion (whether or not accurate or with merit) relating to the consumption of cannabis, whether in Canada, the United States or elsewhere, may have a material adverse effect on our operational results, consumer base and financial results. Among other things, such a shift in public opinion could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which TOK could identify potential acquisition opportunities.

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Certain events or developments in the cannabis industry more generally may impact TOK's reputation.

Damage to TOK's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Cannabis has often been associated with various other narcotics, violence and criminal activities, the risk of which is that our business might attract negative publicity. There is also risk that the action(s) of other participants, companies and service providers in the cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the reputation of TOK. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to TOK and its activities, whether true or not and the cannabis industry in general, whether true or not. TOK does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to TOK's overall ability to advance its business strategy and realize on its growth prospects, thereby having a material adverse impact on TOK.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the year ended December 31, 2017, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at December 31, 2017 covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include, without limitation: the intention to complete

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the listing; the description of the Company that assumes completion of the listing of its Common Shares; the intention to grow the business and operations of the Company; anticipated timing for the ability of the Company to agree to terms of royalty agreements with Licensed Operators; expected growth in the number of users of Medical Marijuana in Canada; the risk of foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained herein are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the audited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

APPENDIX F
RESULTING ISSUER PRO FORMA FINANCIAL STATEMENTS

Tree of Knowledge Inc.

Unaudited Pro Forma Consolidated Financial Statements

March 31, 2018

Tree of Knowledge Inc.

Unaudited Pro Forma - Consolidated Statement of Financial Position as at March 31, 2018

	Historical		Pro Forma		Tree of Knowledge Inc. March 31, 2018 (Unaudited)
	Tree of Knowledge Inc. March 31, 2018 (Unaudited)	Courtland Capital Inc. December 31, 2017 (Unaudited)	Adjustments	Notes	
Assets					
Current Assets					
Cash	25,907	8,292	(100,000)	(2)	
			288,462	(5)	
			(78,902)	(12)	
			310,000	(10)	453,759
Investments			1,999,999	(7)	
			1,000,000	(11)	2,999,999
Trade and other receivables, net	85,165	-	-		85,165
Inventory	262,876	-	-		262,876
	373,948	8,292	3,419,559		3,801,799
Non-current					
Equipment	332,582	-			332,582
	706,530	8,292	3,419,559		4,134,381
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	283,254	70,239	-		353,493
Shareholder loans	790,906	-	(790,906)	(9)	-
Promissory note payable	78,902	-	(78,902)	(12)	-
Convertible debentures	-	-	288,462	(5)	-
			(288,462)	(5)	-
	1,153,062	70,239	(869,808)		353,493
Current Liabilities					
Shareholder loans	-	-	395,453	(9)	395,453
Total Liabilities	1,153,062	70,239	(474,355)		748,946
Shareholders' Deficiency					
Share capital	8,414,002	4,316,603	(4,316,603)	(1)	
			6,704,365	(1)	
			293,266	(3)	
			4,410,865	(4)	
			288,462	(5)	
			(780,000)	(6)	
			1,999,999	(7)	
			1,000,000	(11)	
			2,983,265	(8)	
			484,090	(9)	
			310,000	(10)	26,108,314
Shares to be issued	463,562	-	(463,562)	(3)	-
Contributed surplus	-	532,831	(532,831)	(1)	-
Accumulated other comprehensive loss		(339,381)	339,381	(1)	-
Accumulated deficit	(9,324,096)	(4,572,000)	4,572,000	(1)	
			(6,766,312)	(1)	
			(100,000)	(2)	
			170,296	(3)	
			780,000	(6)	
			(4,410,865)	(4)	
			(2,983,265)	(8)	
			(88,637)	(9)	(22,722,879)
	(446,532)	(61,947)	3,893,914		3,385,435
	706,530	8,292	3,024,106		4,134,381

See accompanying notes

Tree of Knowledge Inc.
 Unaudited Pro Forma - Consolidated Statement of Loss and Comprehensive Loss

	Historical		Pro-Forma		
	Tree of Knowledge Inc. Three month period ended March 31, 2018 (Unaudited)	Courtland Capital Inc. Nine month period ended December 31, (Audited)	Adjustments	Notes	Tree of Knowledge Inc. Three month period ended March 31, 2018 (Unaudited)
Revenue	160,687	121	-		160,808
Cost of sales	(102,446)				
Gross margin	58,241	121	-		160,808
Operating Expense					
Salaries and benefits	358,214	28,350			386,564
Office and general	70,201	3	-		70,204
Depreciation	25,604	-	-		25,604
Professional fees	83,639	33,437	-		117,076
Travel and promotion	34,327	-	-		34,327
Total expenses	571,985	61,790	-		633,775
Loss before interest income, (loss) gain on foreign exchange, income taxes and other expenses	(513,744)	(61,669)	-		(472,967)
Interest on commercial loans	(258)	-	-		(258)
Listing expenses	-	-	(6,766,312)	(1)	
			(100,000)	(2)	
			170,296	(3)	
			(4,410,865)	(4)	
			(2,983,265)	(8)	
			(88,637)	(9)	(14,178,783)
Net loss and comprehensive loss	(514,002)	(61,669)	(14,178,783)		(14,652,008)
Loss per share - basic and fully diluted					(0.193)
Weighted average number of shares outstanding - basic and fully diluted					75,742,118

See accompanying notes

Tree of Knowledge Inc.
 Unaudited Pro Forma - Consolidated Statement of Loss and Comprehensive Loss

	Historical		Pro-Forma		
	Tree of Knowledge Inc. Year ended December 31, 2017 (Unaudited)	Courtland Capital Inc. Year ended March 31, 2017 (Audited)	Adjustments	Notes	Tree of Knowledge Inc. Year ended December 31, 2016 (Unaudited)
Revenue	394,081	631	-		394,712
Cost of sales	(256,566)				
Gross margin	137,515	631	-		394,712
Operating Expense					
Salaries and benefits	4,971,862	44,190			5,016,052
Office and general	228,877	5,354	-		234,231
Depreciation	65,813	-	-		65,813
Professional fees	183,550	35,599	-		219,149
Travel and promotion	302,569	5,746	-		308,315
Total expenses	5,752,671	90,889	-		5,843,560
Loss before interest income, (loss) gain on foreign exchange, income taxes and other expenses	(5,615,156)	(90,258)	-		(5,448,848)
Accretion on convertible debentures	(126,380)	-	-		(126,380)
Interest on convertible debentures	(99,039)	-	-		(99,039)
Interest on commercial loans	(20,925)	-	-		(20,925)
Listing expenses	-	-	(6,766,312)	(1)	
			(100,000)	(2)	
			170,296	(3)	
			(4,410,865)	(4)	
			(2,983,265)	(8)	
			(88,637)	(9)	(14,178,783)
Net loss and comprehensive loss	(5,861,500)	(90,258)	(14,178,783)		(19,873,975)
Loss per share - basic and fully diluted					(0.262)
Weighted average number of shares outstanding - basic and fully diluted					75,742,118

See accompanying notes

Tree of Knowledge Inc.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
March 31, 2018

PROPOSED MERGER

Tree of Knowledge Inc. ("Tree of Knowledge") and Courtland Capital Inc. ("Courtland") are parties to a merger agreement dated April 2, 2018, as amended and restated May 8, 2018 (the "Agreement"), pursuant to which Tree of Knowledge will become a wholly owned subsidiary of Courtland upon the completion of the transaction (the "Merger"). The Agreement provides that, among other things, each issued and outstanding common share of Tree of Knowledge (the "Knowledge Shares") will be exchanged for 1.892 common shares of Courtland. Upon completion of the Merger (see "Pro Forma Assumptions and Adjustments"), the former shareholders of Tree of Knowledge will hold approximately 83% of the issued and outstanding shares of Courtland. The Merger will be considered a reverse takeover under the applicable securities laws. As a condition to closing of the Merger, the common shares of Courtland are to be accepted for listing on the Canadian Securities Exchange (the "Exchange"). Upon completion of the Merger, it is expected that Courtland will change its name to "Tree of Knowledge International Corp." or such other name as the parties may agree upon.

The Merger is considered to be a reverse takeover transaction for accounting purposes. The Merger is not considered to be a business combination but a capital transaction whereby Courtland is considered to issue additional shares in return for acquiring the net assets of Tree of Knowledge. See "*Pro Forma Assumptions and Adjustments*" below.

For financial reporting purposes, the Company is considered a continuation of Tree of Knowledge, the legal subsidiary, except with regard to authorized and issued share capital, which is that of Courtland, the legal parent.

All references are to US dollars except where stated otherwise.

BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position as at March 31, 2018, and December 31, 2017, has been prepared by management of Tree of Knowledge to give effect to the Merger. In the opinion of management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation of the transaction in accordance with International Financial Reporting Standards.

The unaudited pro forma consolidated statement of financial position may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited pro forma consolidated statement of financial position is not a forecast or projection of future results. The actual financial position and results of operations of Tree of Knowledge for any period following March 31, 2018 will likely vary from the amounts set forth in the unaudited pro forma consolidated statement of financial position and such variation may be material.

The unaudited pro forma consolidated statement of financial position should be read in conjunction with the unaudited interim financial statements of Courtland as at September 30, 2017, the unaudited interim financial statements of Tree of Knowledge as at March 31, 2018, and the audited consolidated financial statements of Tree of Knowledge as at December 31, 2017.

Tree of Knowledge Inc.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
March 31, 2018

PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions and adjustments:

1. In accordance with reverse acquisition accounting, and IFRS 2:

- (i) The assets and liabilities of Tree of Knowledge are included in the unaudited pro forma consolidated statement of financial position at their historic value.
- (ii) The net assets of Courtland are included at fair value, assumed to be equal to their carrying value at December 31, 2017. The net assets of Courtland have been converted to US Dollars at the exchange rate at December 31, 2017 of \$1.255.
- (iii) Share capital, contributed surplus, and the deficit of Courtland are eliminated.

Fair value of Courtland's transaction was based on the concurrent private placement share value. The preliminary purchase price of \$6,704,365 has been allocated as follows:

Cash and cash equivalents	\$ 8,292
Accounts payable and accrued liabilities	(70,239)
Listing costs expensed	<u>6,766,312</u>
	\$ <u>6,704,365</u>

- 2.** Costs associated with the transaction are estimated to be \$100,000 and will be expensed on completion of the Merger.
- 3.** The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes the conversion of all remaining outstanding Tree of Knowledge convertible debentures at a price of \$0.60-\$0.75 per share, pursuant to the respective agreements, which is was completed on or prior to the closing of the Merger.
- 4.** The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes \$4,410,865 in connection with the issuance of 4,009,877 common shares issued subsequent to March 31, 2018 pursuant to consulting agreements with various consultants.
- 5.** The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes convertible debentures with an aggregate face value of \$288,462 (CAD\$360,000) to be issued by Courtland subsequent to March 31, 2018. The debentures will be convertible into units at CAD \$0.10 per unit, with each unit consisting of a share and a half warrant, exercisable at CAD \$0.15 for 2 years.

Tree of Knowledge Inc.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
March 31, 2017

6. The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes cancellation of 1,300,000 of previously issued shares at a price of \$0.60.
7. The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes the issuance of 1,818,181 at a price per share of \$1.10 for total consideration of \$1,999,999 for the investment in the equity of Sustainable Growth Strategic Capital Corp.
8. The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes the issuance of 2,712,059 at a price per share of \$1.10 for total consideration of \$2,983,265 to be issued as a finder's fee for the Merger.
9. The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes the settlement of shareholder loans in the amount of \$395,453 through the issuance of 440,082 shares at a price per share of \$1.10 per share for total consideration of \$484,090 resulting in a loss on settlement of shareholder loans of \$88,637. The shareholders also agreed to defer payment of the remaining loans upon completion of certain milestones, therefore, the loans have been reclassified as long term liabilities.
10. The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes the issuance of 281,819 shares at a price per share of \$1.10 for cash consideration of \$310,000.
11. The unaudited pro forma consolidated statement of financial position as at March 31, 2018 includes the issuance of 909,091 at a price per share of \$1.10 for total consideration of \$1,000,000 for the investment in the equity of NYSK Holdings LLC.
12. The unaudited pro forma consolidated statement of financial position as at March 31, 2018 offset/repayment of the loan from Courtland Capital to Tree of Knowledge of \$100,000 CAD.

PRO FORMA SHARE CAPITAL

Pro forma capital stock as at March 31, 2018 has been determined as follows:

	Resulting Issuer	Pro Forma
	<u>Number</u>	<u>Amount</u>
Courtland Common Shares Outstanding as at March 31, 2018	117,315,775	4,316,603
Decrease of Courtland shares issued and outstanding as a result of the 49.16 for 1 share consolidation	(114,929,368)	-
Tree of Knowledge Common Shares Outstanding as at March 31, 2018	28,787,507	8,414,002
Conversion of Tree of Knowledge convertible debentures	488,777	293,266
Issuance of Tree of Knowledge shares for cash	281,819	310,000
Issuance of Tree of Knowledge shares for services	4,009,877	4,410,865
Cancellation of Tree of Knowledge shares	(1,300,000)	(780,000)
Issuance of Tree of Knowledge shares for settlement of shareholder loans	440,082	484,090
Acquisition of SGSCC facility	1,818,181	1,999,999
Acquisition of NYSK facility	909,091	1,000,000
Elimination of Tree of Knowledge Common Shares for legal purposes and the value of Courtland share capital for accounting purposes	(35,435,334)	(4,316,603)
Issuance of 1.892 Courtland shares for each Tree of Knowledge share held	67,043,652	6,704,365
Conversion of Courtland convertible debentures	3,600,000	288,462
Finders fee	2,712,059	2,983,265
Pro Forma Balance at March 31, 2018	<u>75,742,118</u>	<u>26,108,314</u>

CERTIFICATE OF TREE OF KNOWLEDGE INTERNATIONAL CORP.

Dated: June 28, 2018

Pursuant to a resolution duly passed by its Board of Directors, Tree of Knowledge International Corp. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Tree of Knowledge International Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

(signed) "Rick Grass"

Rick Grass
President and Director

(signed) "Rick Grass"

Rick Grass
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Scott Reeves"

Scott Reeves
Director

(signed) "Michael Caridi"

Michael Caridi
Director

CERTIFICATE OF TREE OF KNOWLEDGE INC.

Dated: June 28, 2018

The foregoing contains full, true and plain disclosure of all material information relating to Tree of Knowledge Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

(signed) "Brian Main"
Brian Main
Chief Executive Officer and Director

(signed) "Marco Guidi"
Marco Guidi
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Michael Caridi"
Michael Caridi
Director

(signed) "Brian Main"
Brian Main
Director