ICC International Cannabis Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017

This Management's Discussion and Analysis ("**MD&A**") has been prepared by management of ICC International Cannabis Corporation ("**ICC**" or the "**Company**") with an effective date of November 29, 2017. Throughout this MD&A, unless otherwise specified, "ICC", "the Company", "we", "us" or "our" refer to ICC International Cannabis Corporation and its subsidiaries. This MD&A should be read in conjunction with the unaudited consolidated interim financial statements of the Company and notes thereto for the three and nine month periods ended September 30, 2017 and 2016 (the "**Financial Statements**"). In preparing this MD&A, we have taken into account information available to us up to November 29, 2017 unless otherwise stated.

The Financial Statements have been prepared by management in accordance International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). The interim financial statements have been prepared by management in accordance with IAS 34 for Interim Financial Reporting. All amounts are expressed in U.S. dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with information included in the Financial Statements. You will find the Company's financial statements on SEDAR at www.sedar.com.

This MD&A contains commentary from the Company's management regarding the Company's strategy, operating results, financial position and outlook. Management is responsible for the accuracy, integrity, and objectivity of the MD&A, and develops, maintains and supports the necessary systems and controls to provide reasonable assurance as to the accuracy of the comments contained herein.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute "forward-looking information" and "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the future financial position and results of operations, strategy, plans, objectives, goals, targets and future developments of the Company in the markets where the Company participates or is seeking to participate, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements.

Forward-looking statements and information include, without limitation, the information concerning possible or assumed future results of operations of ICC. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies, and the Company’s ability to operate on a profitable basis. ICC does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report, except as may be required by law.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: limited operating history; regulatory compliance risks; change of cannabis laws, regulations and guidelines; reliance on licenses and authorizations; regulatory and civil proceedings; liability, enforcement, complaints, etc.; legal proceedings; demand for cannabis and derivative products; risks inherent in an agricultural business; product liability; product recalls; seasonality; energy prices and supply; supply of cannabis seeds; retention and acquisition of skilled personnel; managing growth; changes in corporate structure; risks inherent in Uruguayan rural real estate; emerging market risks; global economy; inflation in Uruguay; insurance coverage; ability to establish and maintain bank accounts; operations in Spanish; access to capital; foreign sales; estimates or judgments relating to critical accounting policies; tax risks; market for the common shares of ICC; no history of payment of cash dividends; reporting issuer status; significant sales of common shares of ICC; analyst coverage; tax issues; Canadian regulatory and civil proceeds; and negative cash flow from operating activities.

In addition to the factors set out above and those identified in under “Risks and Uncertainties”, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although ICC has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

Overview of the Company

Background

The Company, through its subsidiaries, is a licensed and authorized producer, developer and vendor of recreational cannabis, medicinal cannabis extracts and derivatives and industrial hemp in Uruguay.

The Company was incorporated on October 19, 2010 as a capital pool company named "Shogun Capital Corp." ("**Shogun**") pursuant to the filing of articles of incorporation under the *Business Corporations Act* (British Columbia). On November 22, 2016, in connection with the Qualifying Transaction (as defined below), Shogun filed a notice of alteration to change its name to "ICC International Cannabis Corporation" (the "**Name Change**").

The registered office of the Company is located at Suite 700 – 595 Burrard Street, P.O. Box 49290, Vancouver, British Columbia, V7Z 1S8, and its head office is located at Plaza Independencia 737, 4th Floor, Montevideo, Uruguay, 11,000. The Company is currently a reporting issuer in British Columbia and Alberta.

January 1, 2016 to December 31, 2016

Recreational Segment

In February 2016, the Company commenced the construction of a 10,000 square foot facility for the production and sale of recreational cannabis. The facility is located on government owned land and was completed in April 2016.

In January 2016, the Company signed a contract with Instituto de Regulación y Control del Cannabis ("**IRCCA**") regarding its recreational cannabis license (the "**Recreational License**"), pursuant to which ICC was granted, for a period of five years, an annual production allowance of two tonnes and a fixed sales price for the first year of $0.90 per gram, adjusted annually in accordance with the terms of the Recreational License which include, among other things, an adjustment for Uruguayan inflation. Pursuant to the Recreational License, ICC agreed to pay IRCCA a fixed annual amount of $20,000 and a variable amount of 10% of cannabis sales to pharmacies. The term of the Recreational License is 5 years from January 14, 2016, subject to revocation for non-compliance

By the end of February 2016 and by mid-March 2016, ICC received from IRCCA a total of 1,600 Alpha strain and 1,000 Beta strain recreational cannabis plants, respectively, in their first week of vegetative stage, so as to enable ICC to start its production of recreational cannabis. As at December 31, 2016, ICC managed approximately 4,922 recreational cannabis plants and had harvested approximately 2,212 recreational cannabis plants.

Capitalization of ICC BVI

In April 29, 2016, ICC International Corp. (the predecessor company to International Cannabis Corp) ("**ICC BVI**"), a company incorporated in the British Virgin Islands, issued 50,000,000 common shares of ICC BVI ("**BVI Common Shares**") to certain advisors, at $0.3076 per share, fulfilling $2,000,000 in compensation obligations owed to such advisors. The Company has recognized a loss of $13,384,615 in connection with such issuance.

In April 29, 2016, $5,302,247 of the outstanding debt due to Union Group International Holdings Limited ("**Union Group**") related to the UG Facility (as defined below) was capitalized by ICC BVI through the issuance of 49,950,000 BVI Common Shares at $0.3076 per share. The Company has recognized a loss of $10,066,984 in connection with such issuance.

Qualifying Transaction

On August 9, 2016, the Company entered into an agreement with ICC BVI with respect to the acquisition of all of the securities of ICC BVI.

On November 23, 2016, ICC BVI completed a qualifying transaction (the "**Qualifying Transaction**") with a capital pool company, then named Shogun, consisting of the acquisition of all the issued and outstanding BVI Common Shares by way of a "three-cornered merger" pursuant to the provisions of the BVI Business Companies Act, 2004. In connection with the merger, ICC BVI changed its name from "International Cannabis Corp" to "ICC International Corp.". Immediately prior to the completion of the Qualifying Transaction, the Company filed a notice of alteration to affect the Name Change. As a result of the Qualifying Transaction, the former shareholders of ICC BVI acquired control of the Company. On November 29, 2016, the common shares of the Company (the "**Common Shares**") commenced trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "ICC".

Subscription Receipts Financing

On September 8, 2016, ICC BVI completed a brokered private placement (the "**Private Placement**") of an aggregate of 32,500,000 subscription receipts (the "**Subscription Receipts**") at a subscription price of Cdn.$0.40 per Subscription Receipt for aggregate gross proceeds of Cdn.$13,000,000, with such gross proceeds being deposited into escrow. Following the satisfaction of certain release conditions related to the Qualifying Transaction, the escrowed funds were released to the Company on November 23, 2016, and the subscription receipts were automatically converted into an aggregate of 26,000,000 Common Shares without additional consideration or any further action on the part of the holders thereof.

GMP Securities L.P. acted as lead agent and sole bookrunner together with Mackie Research Capital Corporation in connection with the Private Placement (the "**Agents**"). As part of their commission, in connection with the Private Placement, the Agents received 2,275,000 BVI Common Share purchase warrants (each a "**ICC BVI Broker Warrant**"), each being exercisable for one BVI Common Share at a price of Cdn. $0.40 per share for a period of two years from the date of the listing of the Common Shares following the completion of the Qualifying Transaction. At the effective time of the completion of the Qualifying Transaction, each ICC BVI Broker Warrant was exchanged for 0.8 Common Share purchase warrants (the "**ICC Broker Warrants**"). Each ICC Broker Warrant entitles the holder thereof to subscribe for one Common Share at a price equal to Cdn.$0.50 per share for a period of two years from the date of the listing of the Common Shares following the completion of the Qualifying Transaction.

Cannabinoids Extraction Segment

In August 2016, the Company acquired an interest in approximately 102 acres of land at its Canelones site, 67 acres of which it intends to use for the production and sale of medicinal cannabis extracts and derivatives and industrial hemp. The Company paid $3.3 million, by a combination of $2.3 million cash and $1.0 million debt. In June 2016, the Company commenced preparing the property for outdoor planting of hemp.

On December 20, 2016, Uruguayan Ministry of Livestock, Agriculture and Fisheries (the "**Ministry**") granted the Company, through its wholly-owned subsidiary Tersum S.A. ("**Tersum**"), an authorization (the "**2016 Authorization**") that permits Tersum to, among other things: (i) plant up to approximately 100 acres of land at its Canelones production site with certain cannabis sativa seeds; (ii) harvest the seeds, stems and flowers of the planted crop; (iii) process the fibre and extract oil from the harvested seed;

(iv) sell the processed fibre and harvested seeds in the domestic market to certain authorized buyers; and (v) export the processed fibre and extracted oil, upon receipt of further required authorizations. The 2016 Authorization will expire 360 days after issuance.

On December 20, 2016, the Company also entered into an agreement to lease 22 acres of additional land adjacent to the Company's Canelones property which it expects to use for the production of cannabinoid extracts and by-products for medicinal use and industrial hemp.

January 1, 2017 to September 30, 2017

Recreational Segment

In February 2017, ICC successfully transitioned its recreational cannabis production facility to a new 70,565 square foot greenhouse. A total of approximately 5,000 plants and approximately 3,500 cuttings were moved to the new facility as part of the transition. The Company expects the new facility to allow it to produce up to 10 tonnes of recreational cannabis per year without additional capital investment.

On July 13, 2017, the Company was approved for recreational cannabis sales in Uruguay by the Uruguayan Ministry of Health for a period of one year, subject to ongoing compliance with sanitation requirements. On July 19, 2017, the Company commenced selling recreational cannabis through registered Uruguayan pharmacies. In the first four months of sale (from July to October 2017), a total of 180 kilograms of recreational cannabis was sold.

As at September 30, 2017, ICC managed approximately 15,315 recreational cannabis plants in production and had harvested approximately 7,643 recreational cannabis plants (approximately 381 kilograms; December 31, 2016: 109 kilograms).

Cannabinoids Extraction Segment

On April 3, 2017, the Company announced the construction of a 21,528 square foot greenhouse at its Canelones site for the production of the Company's cannabis plants from which the Company expects to extract cannabidiol ("**CBD**") and derivatives for medicinal use. In May 2017, the Company completed the setup of the greenhouse and began to germinate approximately 5,000 Helena seeds, with harvesting expected in December 2017. The "Helena" CBD strain is a monoecious homozygous variety that contains 0.07% of tetrahydro-cannabidiol. It also contains between 22 to 35 tonnes of stem per acre that translates into between 6 to 10 tonnes of fibre per hectare, between 17 to 24 kilograms of scutch per acre, and between 1.6 to 2.4 tonnes of seeds per acre. These seeds contain on average an oil content between 28% and 32% and a high protein content of approximately 25%.

On May 5, 2017, the Ministry granted Tersum an authorization (the "**May 5, 2017 Authorization**") that permits Tersum to, among other things: (i) plant up to approximately 100 acres of land at its Canelones production site with certain cannabis sativa seeds; (ii) harvest the seeds, stems and flowers of the planted crop; (iii) process the fibre, extract oil from the harvested grain and extract cannabinoids from the harvested flowers, in accordance with certain specified methods and directives; (iv) sell the processed fibre and harvested seeds in the domestic market to certain authorized buyers; and (v) export the processed fibre, extracted oil and extractions from the flowers after fulfilling certain stipulated requirements. The May 5, 2017 Authorization expires 360 days after issuance.

On May 31, 2017, the Ministry granted Tersum an authorization (the "**May 31, 2017 Authorization**") that permits Tersum to, among other things: (i) plant up to approximately 495 acres of land at its Flores production site with certain cannabis sativa seeds; (ii) harvest the seeds, stems and flowers of the planted crop, in accordance with certain specified methods and directives;

(iii) process the fibre, extract oil from the harvested grain and extract cannabinoids from the harvested flowers; (iv) sell the processed fibre in the domestic market for certain specified uses; and (v) export the processed fibre, extracted oil and extractions from the flowers after fulfilling certain stipulated requirements. The May 31, 2017 Authorization expires 360 days after issuance.

On July 25, 2017, the Ministry granted Tersum an authorization (the "**July 2017 Authorization**") that permits Tersum to, among other things: (i) import certain approved varietals of cannabis seeds; (ii) plant up to approximately 100 acres of land at its Flores and/or its Canelones production sites with such varietals of cannabis seeds; (iii) harvest the seeds, stems and flowers of the planted crop; (iv) process the fibre, extract oil from the harvested grain and extract cannabinoids from the harvested flowers, in accordance with certain specified methods and directives; (v) sell the processed fibre and harvested seeds in the domestic market to certain authorized buyers, and subject to certain approvals, the extractions from the flowers; and (vi) export the processed fibre, extracted oil and extractions from the flowers after fulfilling certain stipulated requirements. The July 2017 Authorization expires 360 days after issuance, except for the importation activities, which are authorized for a period of 120 days after the issuance.

As at September 30, 2017, ICC managed approximately 4,960 indoor hemp plants in production in its Canelones greenhouse, for which harvesting is expected to commence in December of 2017.

Export Arrangements

The Company continues to seek international export opportunities. For example, on September 20, 2017, the Company entered into a Memorandum of Understanding and Presale Agreement with Energia y Vida de Mexico S.A. de C.V. ("**Energia**"), a licensed producer of dietary supplements and cosmetics in Mexico. Subject to entering into a definitive agreement, until the end of 2018, the Company is to export to Energia for medicinal purposes 10% of its CBD production at prices to be determined under the definitive agreement, subject to applicable regulatory approvals, including those from the TSXV, IRCCA, the Ministry and applicable Mexican authorities. See also "Subsequent Events".

New Chief Executive Officer

On June 26, 2017, Alejandro Antalich was promoted to Chief Executive Officer ("**CEO**") of the Company, subject to TSXV approval. Effective as of Mr. Antalich's appointment, Guillermo Delmonte resigned as CEO and director of the Company.

Mr. Antalich joined the Company in March 2017 as Senior Operations Manager overseeing all of its research and development team initiatives. Mr. Antalich is a seasoned executive with 25 years of experience in pharmacy and pharmaceutical industries.

Biological Assets

Biological assets are living plants managed by the Company for sale, as agricultural produce, or as biological assets. Biological assets of ICC include recreational cannabis crops, which are to be harvested as agricultural produce.

The Company distinguishes between consumable and bearer biological assets, and between mature and immature biological assets. 'Consumable' biological assets are those assets that may be harvested as agricultural produce or sold as biological assets. 'Bearer' biological assets are those assets capable of producing more than one harvest. 'Mature' biological assets are those that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). 'Immature' biological assets are those biological assets other than mature biological assets. Consumable biological assets are classified as current or non-current depending on their period of maturity. Bearer biological assets are generally classified as non-current.

Expenses relating to the agricultural activity include planting, harvesting, weeding, seedlings, irrigation, agrochemicals, fertilizers and others. The Company elected to expense all such costs when incurred and include them within 'Cost of production' in the statement of profit or loss and other comprehensive income. Therefore, 'Cost of production' represents the costs expensed whilst the biological assets are growing.

Biological assets are measured at fair value less costs of disposal on initial recognition and at each statement of financial position date, except where fair value cannot be reliably measured.

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise throughout the life of the biological assets are estimated based on statistical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs of disposal and from a change in fair value less costs of disposal of a biological asset is recognized in profit or loss in the period in which they are incurred

Refer to Note 3.4 of the Company's Financial Statements.

Discussion of Operations

The Company through its subsidiaries, is licensed and authorized in Uruguay to produce, develop and sell recreational cannabis, medicinal cannabis extracts and derivatives, and industrial hemp. The Company has two streams of reportable segments: (i) the recreational cannabis segment and (ii) the cannabinoids extraction segment. The cannabinoid extraction segment is intended to largely focus on medicinal cannabis extracts and derivatives from hemp, but also is also expected to result in the production of industrial hemp products.

As of the date of this MD&A, the Company is currently operating on approximately 388 acres of agricultural land in Uruguay, comprised as follows: (1) for its hemp operations, approximately 67 acres at its Canelones site, and approximately 318 acres at its Flores site; and (2) for its recreational cannabis operations, three acres of land leased from the Uruguayan government.

Recreational Segment

The first harvest of recreational cannabis took place in June 2016. Recreational cannabis will continue to be harvested on a monthly basis to reach the initial annual production target of two tonnes.

On July 13, 2017, ICC was approved for recreational cannabis sales in Uruguay by the Uruguayan Ministry of Health. As of October 31, 2017, the Company had sold 189 kilograms of recreational cannabis generating approximately $172,000 in revenue from such sales through registered Uruguayan pharmacies. As of November 22, 2017, 15,898 consumers were registered in the system.

The Company is currently increasing production in order to meet its commitment of producing and distributing two tonnes of recreational cannabis by the end of 2017. Subject to IRCCA's approval, the Company is expected to increase its production year-over-year according to the demand, once the cannabis demand starts shifting from the illegal to the legal market. As at the date of this MD&A, ICC managed 19,714 recreational cannabis plants and held 288 kg of recreational cannabis in stock.

Cannabinoids Extraction Segment

On May 2017, ICC successfully completed the setup of its first 21,528 square foot medicinal greenhouse. As of the date of this MD&A, the Company has sowed 5,000 Helena seeds, with harvesting of such seeds expected to commence in December 2017. The Company intends to sow its second greenhouse crop after harvesting completes in December 2017.

The Company’s Canelones production site is comprised of a 21,528 square foot indoor hemp greenhouse facility and 67 acres to be used in connection with outdoor hemp production. The Company’s Flores site is comprised of approximately 500 acres to be used in connection with outdoor hemp production. As indicated above, the Company has authorization to sow seeds for CBD flower production on almost 560 acres of land; however, the Company does not currently have any intention to acquire or lease additional production land, though it may if it considers such acquisition or lease necessary and/or advisable.

The Company is continuing construction of the first CBD extraction laboratory in South America using the supercritical fluid CO2 extraction technique with state-of-the-art equipment from Europe. The laboratory will be built in Uruguay's “science free trade zone”. The extraction laboratory will be situated in an area over 16,146 sq. ft., with construction set for completion in April, 2018. The Company is committed to obtaining GMP certification and all other certifications required for the lawful production and sale of CBD extracts.

As discussed above, the Company is currently producing hemp using the Helena variety of the cannabis sativa plant. The Company is continuing to expand its varietals available for lawful production and has recently acquired several additional strains of viable hemp seeds (see “Subsequent Events”).

On July 25, 2017, the Company was granted specific authorization, which superseded a prior authorization from April 15, 2016, by the Uruguayan Ministry of Livestock, Agriculture and Fisheries to import, plant, harvest, process, sell and export two strains of hemp rich in CBD. See “Subsequent Events”. As indicated above, the Company has authorization to sow seeds for CBD flower production on almost 560 acres of land.

The Company is currently (it being summer in Uruguay) in the process of sowing its first outdoor crop of hemp, and intends to begin harvesting by the first quarter of 2018, and to commence selling the cannabinoid extracts and derivative products in the second quarter of 2018, including CBD extractions and CBD oil, subject to obtaining the requisite authorizations and completion of the Company’s extraction laboratory.

Summary of Financial Position

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Total current assets	$4,280,851	$4,995,844	$5,657,197	$6,657,276
Total current liabilities	$1,857,290	$1,066,274	$1,814,455	$2,299,569
Working capital	$2,423,561	$3,929,570	$3,842,742	$4,357,707
Biological assets	$210,200	$209,227	$133,317	$85,883
Non-current liabilities	-	$692,500	$692,500	$692,500
Total shareholders' equity	$11,620,987	$12,672,311	$12,941,088	$13,570,454

	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Total current assets	$399,505	$218,660	$164,454	$109,531
Total current liabilities	$2,087,660	$1,715,806	$3,218,768	$2,515,479
Working capital	$(1,688,155)	$(1,497,146)	$(3,054,314)	$(2,405,948)
Biological assets	$150,941	$66,491	$4,722	-
Non-current liabilities	$2,185,000	$1,690,357	-	-
Total shareholders' equity	$6,157,037	$6,445,107	$(604,806)	$(5,948)

Total current assets for the Company as of September 30, 2017 were $4,280,851 (September 30, 2016: $399,505). The year-over-year increase was largely attributable to the Private Placement and the commencement of the Company's operations. See the discussion above under "Biological Assets" with respect to the Company's treatment of biological assets.

Non-current financial liabilities decreased from $2,185,000 as if September 30, 2016 to nil as of September 30, 2017. The decrease was largely attributable to the terms of the acquisition of the materials required for the construction of a greenhouse for approximately $2,770,000, payable to the supplier after the completion of the assemblage in four consecutive semi-annual installments of $692,500 beginning in December 2016.

Summary of Quarterly Results

	Three months ended			
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Total Revenue	-	-	-	-
Loss from continuing operations attributable to owners of the parent	$(1,134,781)	$(930,195)	$(649,988)	$(6,040,283)
Basic and diluted loss per-share	(0.01)	(0.008)	(0.006)	(0.105)
Loss attributable to the owners of the parent	$(1,134,781)	$(930,195)	$(649,988)	$(6,033,687)
Basic and diluted loss per-share	(0.01)	(0.008)	(0.006)	(0.105)

	Three months ended			
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2016
Total Revenue	-	-	-	-
Loss from continuing operations attributable to owners of the parent	$(152,384)	$(23,703,933)	$(598,858)	$(39,732)
Basic and diluted loss per-share	(0.002)	(0.342)	(14,971)	(0.795)
Loss attributable to the owners of the parent	$(152,384)	$(23,703,933)	$(598,858)	$(39,732)
Basic and diluted loss per-share	(0.002)	(0.342)	(14,971)	(0.795)

For the three month period ended September 30, 2017:

- Total revenue was $146,977 (September 30, 2016: nil). The increase was attributable to the commencement of sales in the Company's recreational cannabis segment.
- The Company's general and administrative expenses were $781,688 (September 30, 2016: $252,844). The increase was attributable to the commencement of operations.
- The Company's loss from continuing operations attributable to the owners of the parent, and loss attributable to the owners of the parent, were both $1,134,781 (September 30, 2016: $288,070). The increase was attributable to the commencement of operations.
- The loss attributable to the owners of the parent was $1,134,781 (September 30, 2016: $152,384) and was largely comprised of approximately: (i) $262,000 in license amortization costs and depreciation of property, plant and equipment (September 30, 2016: $138,000);
(ii) $150,000 in other fees and expenses related to production supplies and security and surveillance expenses (September 30, 2016: $111,000); and (iii) $192,000 in salaries (September 30, 2016: $75,000). The increase in loss was partially owing to the increase of $138,000 in financial expenses and a reduction on the gross profit of $131,000.

Summary of Year to Date Results

	Nine months ended	
	September 30, 2017	September 30, 2016
Total Revenue	$146,977	-
Loss from continuing operations attributable to owners of the parent	$(2,714,964)	$(24,590,861)
Basic and diluted loss per-share	(0.023)	(0,435)
Loss attributable to the owners of the parent	$(2,714,964)	$(24,590,861)
Basic and diluted loss per-share	(0.023)	(0,0435)

For the nine month period ended September 30, 2017:

- Total revenue was $146,977 (September 30, 2016: nil). The increase was attributable to the commencement of sales in the Company's recreational cannabis segment.
- The Company's general and administrative expenses were $2,566,716 (September 30, 2016: $1,121,656). The increase was attributable to the commencement of operations.
- The Company's loss from continuing operations attributable to the owners of the parent, and loss attributable to the owners of the parent, were both $2,714,964 (September 30, 2016: $24,590,861). The decrease was attributable to the loss on debt settlement in the second quarter of 2016, and the loss was largely comprised of approximately: (i) $366,000 in license amortization costs and depreciation of property, plant and equipment (September 30, 2016: $363,000); (ii) $1,195,000 in other fees and expenses related to production supplies and security and surveillance expenses (September 30, 2016: $640,000); (iii) $582,000 in depreciation (September 30, 2016: $19,000); and (iv) $366,000 in salaries (September 30, 2016: $166,000).
- The loss attributable to the owners of the parent was $2,714,964 (September 30, 2016: $24,590,861) and was largely comprised of a $2,566,716 of general and administrative expenses (September 30, 2016: $23,451,599 of loss on debt settlement).

Liquidity

The Company is mainly in a pre-operative stage so is not therefor able to generate sufficient amounts of cash and cash equivalents from operations in the short term to meet its planned growth.

The Company has funded its operations from the sale of equity securities. On September 8, 2016, the Company closed the Private Placement for gross proceeds of Cdn.$13,000,000 ($9,651,076). The Company paid $1,080,165 in related commissions and transaction costs for the net proceeds of Cdn.$11,908,596 ($8,570,911). On November 22, 2017 the Company closed its bought deal offering for gross proceeds of Cdn.$23,000,000 ($18,101,000). See "Subsequent Events".

The Company's objectives are to grow revenue by commencing sales and entering new markets where lawful and to ensure that capital resources are readily available to meet obligations as they become due. Liquidity risk arises when the Company is challenged to fund its on-going operations through working capital or either the sale of equity or bank loans.

The main challenges the Company may face in generating sufficient amounts of cash and cash equivalents relate to successfully completing the setup of its facilities, increasing production, and the Uruguayan government permitted the commencement of recreational cannabis sales.

On June 29, 2017, $1,000,000 invested by the Company on January 23, 2017 was repaid with interest.

Projected working capital requirements

According to the Company's projections, once the operations commence the annual working capital requirements for the recreational cannabis, medicinal cannabis extracts and derivatives and industrial hemp operations will be $520,000, $809,000 and $266,000, respectively. Working capital requirements realized may differ from such estimates should the Company's production quantities, expenses or sales price or should certain macro-economic variables, such as exchange rates or Uruguayan or U.S. inflation differ from that expected by the Company.

Contractual Obligations and Commitments

As at September 30, 2017, the payments due by period are set out in the following table:

	Less than 1 year	**1-3 years**	**Total**
Accounts Payable and Accrued Liabilities	$1,857,290	$-	**$1,857,290**
Total	**$1,857,290**	**$-**	**$1,857,290**

Capital Resources

As of the date of this MD&A, enforceable and legally binding obligations assumed by the Company related to capital expenditures are as follows:

- Acquisition of materials for a "Capilla" greenhouse, to be assembled by the Company for use in its recreational cannabis operations: $2.77 million payable in four semi-annual installments beginning in December 2016 and accruing interest at an annual rate of Libor 6M + 3%.

ICC entered into a services and financing agreement dated August 20, 2014 (the "**Services and Financing Agreement**") with Union Group pursuant to which Union Group:

(a) provides professional services (consisting of management, accounting, tax and legal services); and

(b) granted ICC a $4,000,000 financing facility (the "**UG Facility**"). Each draw down on the UG Facility bears interest at an annual rate of 10%.

Off-Balance Sheet Arrangements

The Company currently has no off-balance sheet arrangements.

Transactions between Related Parties

Prior to the Qualifying Transaction, ICC BVI funded operations through the support and management services provided by companies associated with the controlling shareholding of ICC BVI, being Union Group. Union Group continues to be a shareholder of the Company. The amounts due at period end are owing to several entities of this group of companies.

The following transactions were carried out with related entities:

		Nine months ended September 30, 2017	Twelve months ended December 31, 2016
		$	$
Opening balances		387,269	(102,389)
Financial facilities draw-downs	(a)	(124,650)	(5,123,963)
Cash advanced	(b)	3,805,511	2,902,599
Office lease charged		(35,100)	
Payments on behalf of ICC	(c)	(2,902,097)	(5,302,247)
Repayments		42,837	3,216,973
Closing balances	(d)	1,173,770	387,269

Notes:

(a) During the nine month period ended September 30, 2017, $124,650 was drawn down on the UG Facility pursuant to the terms of the Services and Financing Agreement.

(b) Included the cash sent to UG accounts for paying CAPEX and expenses.

(c) Included in payments on behalf of ICC and other expenses for the nine month period ended September 30, 2017

(d) As of September 30, 2017, the Company maintained an account receivable from Union Capital Group S.A., a subsidiary of Union Group, of $154,965, an account receivable from Union Capital Group International Holding, a subsidiary of Union Group, of $922,232 and an account receivable from Union Group of $96,572.

Key management personnel

For the nine-month period ended September 30, 2017, the Company paid $152,147 in remuneration to senior management and directors (September 30, 2016: $36,000). For the three-month period ended September 30, 2017, the Company paid $46,875 in remuneration to senior management and directors (September 30, 2016: nil). At September 30, 2017, there was $16,205 due to senior management and directors in accounts payable and other payables (December 31, 2016: $51,715).

For the nine-month period ended September 30, 2017, the Company granted $189,379 in share-based compensation to senior management and directors (September 30, 2016: nil). For the three-month period ended September 30, 2017, the Company granted no share-based compensation to senior management and directors (September 30, 2016: nil).

Critical Accounting Policies and Estimates

Refer to Notes 3 and 4 of the Company's Financial Statements.

Changes in Accounting Policies

Refer to Note 3.15 of the Company's Financial Statements.

Risks and Uncertainties

There are a number of risk factors that could impact the Company's ability to successfully execute its key strategies and may materially affect future events, performance or results. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

A discussion of the principal risk factors relating to the Company's operations and businesses appears in the Company's Annual Information Form for the year ended December 31, 2016, which may be viewed under the Company's profile on SEDAR at www.sedar.com.

Outstanding Share Data

The Company is authorized to issue an unlimited number of Common Shares, of which 137,600,910 are currently issued and outstanding.

The Company adopted a stock option plan (the "**Option Plan**"). Under the terms of the Option Plan, officers, directors, employees and consultants are eligible to receive grants of stock options to purchase Common Shares for a period of up to ten years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

On March 9, 2017, the Company issued options to purchase 500,000 Common Shares at an exercise price of Cdn.$0.86 per share and options to purchase 250,000 Common Shares at an exercise price of Cdn.$1.50 per share, with all such options expiring on March 9, 2027.

On June 6, 2017, 79,900 Common Shares at a price of Cdn.$0.50 per share were issued upon the exercise of options.

On June 26, 2017, the Company issued options to purchase 150,000 Common Shares at an exercise price of Cdn.$1.40 per share, with such options expiring on June 26, 2022.

Between November 2, 2017 and November 8, 2017, 500,000 common shares were issued at a price of Cdn.$0.50 per share upon the exercise of options.

On November 22, 2017, 75,000 unvested options were cancelled in connection with the termination of the Company's consulting agreement with Venture North Capital Inc.

As of the date of this MD&A, subject to the terms of the Option Plan, options to purchase 7,233,100 Common Shares are outstanding and options to purchase 6,526,991 Common Shares are available for grant.

On April 21, 2017, 1,456,000 Common Shares were issued at a price of Cdn.$0.50 per share upon the exercise of ICC Broker Warrants. As at the date of this MD&A, 364,000 ICC Broker Warrants are outstanding.

Disclosure Controls and Internal Controls

In accordance with the requirements of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Company's management, including the CEO and the Chief Financial Officer ("**CFO**"), have designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Internal control over financial reporting should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management or the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial instruments.

During the period ended September 30, 2017, no changes were made in the Company's design of internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting (as defined in NI 52-109) may result in additional risks to the quality, reliability, transparency and timeliness of filings provided under securities legislation. The Company's management, including the CEO and CFO, believe that due to inherent limitations, any disclosure controls and procedures or internal control over financial reporting, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that any design will not succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Additionally, management is required to use judgment in evaluating controls and procedures.

Subsequent Events

Hemp Seed Acquisitions

As discussed above, the Company is currently producing hemp using the Helena variety of the cannabis sativa plant. The Company is continuing to expand its varietals available for lawful production and has recently acquired several additional strains of viable hemp seeds, as discussed below.

In October 2017, ICC acquired 160 kilograms of CW2a-b hemp seeds. The CW2a-b strain has a cannabinoid profile of 9.93% CBD-A and 0.43% THC. The Company intends to sow CW2a-b seeds outdoor at its Canelones site.

In November 2017, ICC acquired 650 kilograms of Carmanola Selezionata (“**CS**”) hemp seeds. CS is a dioecious plant known for centuries and currently one of the most commonly grown outdoor hemp varieties used to obtain CBD. Various studies have indicated CS contains high CBD values and a low THC:CBD ratio ranging from 1:4 to 1:10. CS is reasonably drought resistant and typically only requires rain or irrigation during the seed formation stage of the female plants’ development. CS crops can produce up to 4 to 4.5 tonnes of stem per acre, 333 kilograms of seeds per acre and contain an average total fibre content between 31-32%. The Company intends to sow CS seeds outdoor at its Flores and Canelones sites.

In November 2017, ICC acquired 2.6 tonnes of Futura 75 (“**FR**”) hemp seeds. FR is a monoecious variety of hemp created through lengthy breeding efforts in France to obtain increase seed, CBD and fibre yields. FR’s CBD concentration typically varies between 1.5-3% but THC concentration rarely exceeds 0.2%. FR can yield between 333 kilogram and 1 tonne of seeds per acre, with the oil content of such seeds ranging from 28-30%. Biomass yield (dry) is 4 to 4.2 tonnes per acre and fibre content in stems is between 30-35%. The Company intends to sow FR seeds outdoor at its Flores and Canelones sites.

Bought Deal Offering

On November 22, 2017, ICC closed a bought deal offering of 23,000,000 units ("**Units**") at a price of Cdn.$1.00 per Unit, including the full exercise of the over-allotment option, for aggregate gross proceeds of Cdn.$23,000,000 (the "**Offering**"). The Offering was underwritten by a syndicate of underwriters led by GMP Securities L.P. and including Haywood Securities Inc., and PI Financial Corp. (collectively, the "**Underwriters**").

Each Unit issued pursuant to the Offering consisted of one common share and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one common share at an exercise price of Cdn.$1.50 per common share until November 22, 2019, subject to customary anti-dilution adjustments.

In consideration for the services provided by the Underwriters, the Company paid the Underwriters a cash commission and issued an aggregate of 1,380,000 non-transferable compensation options to the Underwriters (the "**Compensation Options**"). Each Compensation Option is exercisable into one Unit at a price of Cdn.$1.00 until November 22, 2019, subject to customary anti-dilution adjustments.

International Expansion Developments

ICC entered into a presale agreement with Brasliv through Brasliv Import and Export (“**Brasliv**”) for a term of three years. Subject to ICC and Brasliv entering into a definitive agreement and all requisite regulatory approvals, Brasliv will purchase a minimum of 180,000 thirty milliliter bottles of BIDIOL per year for distribution for medicinal purposes.

Additional Information

Additional information relating to the Company, including the Company’s Annual Information Form for the year ended December 31, 2016, which may be viewed under the Company’s profile on SEDAR at www.sedar.com.

Approval

The Board of Directors of the Company has approved the disclosure in this MD&A.

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