SVT Capital Corp.

(Formerly Verona Development Corp.)

Management Discussion and Analysis

For the three months ended June 30, 2017

August 29, 2017

The following Management's Discussion and Analysis ("MDA") of the results of operations and financial conditions of SVT Capital Corp. (the "Company") for the three months ended June 30, 2017, and should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes thereto for the three months ended June 30, 2017, and the audited financial statements and related notes thereto and the related MD&A for the years ended March 31, 2017 and 2016 (the "Financial Report").

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is August 29, 2017.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

BUSINESS OVERVIEW

The Company is incorporated under the laws of British Columbia. On August 19, 2016, its name was changed from "Verona Development Corp." to "SVT Capital Corp.". The Company's common shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the symbol "VTC". The Company currently has no active business and is engaged in the business of identifying new business opportunities.

Proposed Transaction with Delta 9 Bio-tech Inc.

On February 23, 2017, the Company entered into a letter of intent with Delta 9 Bio-Tech Inc. ("Delta 9"), an arm's-length Manitoba-based licensed producer of medical cannabis, pursuant to which the Company agreed to acquire all of the securities of Delta 9 by way of a three-cornered amalgamation among the Company, Delta 9 and a wholly owned subsidiary of the Company formed for the purpose of completing the amalgamation (the "Transaction").

The letter of intent was superseded by a definitive acquisition agreement (the "Amalgamation Agreement") on May 31, 2017. Pursuant to the terms of the Amalgamation Agreement, the shareholders of Delta 9 will receive one common share of the Company for each share of Delta 9 held. The Transaction is expected to result in the reverse takeover (as defined in the policies of the TSXV) of the Company by Delta 9. Upon successful completion of the Transaction, it is anticipated that the Company will be listed as a Tier 2 industrial issuer on the TSXV. Completion of the Transaction is subject to receipt of the approval of the TSXV and certain other conditions as set out in the Amalgamation Agreement.

On April 4, 2017, the Company entered into an engagement letter dated March 30, 2017 (the "Engagement Letter"), with Canaccord Genuity Corp. ("Canaccord") and Delta 9, pursuant to which Canaccord agreed to assist the Company and Delta 9 in connection with: (i) a brokered private placement of common shares of the Company to raise gross proceeds of $3 million (the "Concurrent Financing") and (ii) a bridge financing of secured convertible debentures of Delta 9 to raise gross proceeds of $3 million (which has been completed) for aggregate gross proceeds of $6 million, to be undertaken in connection with the Transaction.

During the three months ended June 30, 2017, the Company incurred legal fees of $46,700 in relation to the proposed transaction.

Subsequent to June 30, 2017, the Company entered into an amendment to the Engagement Letter with Canaccord and Delta 9, pursuant to which the parties agreed to, among other things, increase the size of the Concurrent Financing from $3 million to $5.2 million and to set the offering price for the common shares at $0.65.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of revenues and earnings on a quarterly basis for each of the eight most recently completed quarters.

Description	June 30, 2017 $	March 31, 2017 $	December 31, 2016 $	September 30, 2016 $
Revenues	-	-	-	-
Net loss – continuing operations	(22,821)	(52,908)	(105,319)	(25,581)
Net loss – discontinued operations	-	-	-	-
Total net loss	(22,821)	(52,908)	(105,319)	(25,581)
Basic and diluted loss per share - continuing operations	(0.00)	(0.02)	(0.05)	(0.02)
Basic and diluted loss per share - discontinued operations	-	-	-	-
Basic and diluted loss per share	(0.00)	(0.02)	(0.05)	(0.02)
	June 30, 2016 $	**March 31, 2016 $**	**December 31, 2015 $**	**September 30, 2015 $**
Revenues	-	-	-	-
Net loss – continuing operations	(21,479)	(73,869)	(769)	(2,101)
Net loss – discontinued operations	-	-	-	-
Total net loss	(21,479)	(73,869)	(769)	(2,101)
Basic and diluted loss per share - continuing operations	(0.02)	(0.07)	(0.00)	(0.00)
Basic and diluted loss per share - discontinued operations	-	-	-	-
Basic and diluted loss per share	(0.02)	(0.07)	(0.00)	(0.00)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2017

The Company had a net loss for the three months ended June 30, 2017 of $22,821 (2016 - $21,479).

The more significant differences between the comparative periods were as follows:

- Office and miscellaneous expenses were $3,171 for the three months ended June 30, 2017 (2016 - $3,643). The decrease was due to reduced general office costs during the current period.

- Regulatory, transfer and filing fees were $4,650 for the three months ended June 30, 2017 (2016 - $2,836). The increase was due to higher regulatory filing fees incurred in the current period.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2017, the Company had a working capital deficiency of $174,711 compared to $151,890 at March 31, 2017.

The Company began the fiscal period ended June 30, 2017 with $4,496 in cash. During the three months ended June 30, 2017, the Company spent $40,010 on its operating activities, net of working capital changes, and received $35,700 from financing activities, as a result of which it had $186 in cash as at June 30, 2017.

The Company estimates its current capital resources will not provide the Company with sufficient financial resources to carry out its operations through the next twelve months. The Company will therefore need to raise additional financial resources through debt or equity financings. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties raise substantial doubt regarding the Company's ability to continue as a going concern.

As at the date of this MD&A, other than as described herein and in the Financial Report, the Company has no current arrangements for sources of financing.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of unlimited amount of common shares without par value. The Company has only one kind and class of shares and there are no unusual rights or restrictions attached to that class.

	Common shares, issued and outstanding
Outstanding as at June 30, 2017	5,470,480
Outstanding at the date of this MD&A	5,470,480

SUMMARY OF OUTSTANDING OPTION AND WARRANT DATA

The Company has established a rolling stock option plan (the "Plan") in which the maximum number of shares that can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company at the time of an applicable option grant. The exercise price of options granted under the Plan is based on the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV.

As at June 30, 2017 and as at the date of this MD&A, the Company had no stock options outstanding.

The Company has the following warrants outstanding:

	Share purchase warrants Issued and outstanding
Outstanding June 30, 2017 and at the date of this MD&A	4,400,000

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2017, the Company had no off-balance sheet arrangement such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY TRANSACTIONS

a) Due to related parties

The following amounts were due to related parties as at the dates set out below:

		June 30, 2017		March 31,2017
Due to a company controlled by a director of the Company	$	97,300	$	81,550

As at June 30, 2017, the Company owed $10,200 to a director and a company controlled by a director.

b) The Company was charged the following amounts by directors, officers or companies owned by current and former officers and directors for the three months ended June 30, 2017 and 2016, as follows:

		June 30, 2017		June 30, 2016
Management fees	$	15,000	$	15,000

c) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three months ended June 30, 2017 and 2016 were as follows:

		June 30, 2017		June 30, 2016
Short-term benefits	$	15,000	$	15,000

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

A number of standards, amendments to standards and interpretations are not yet effective as of June 30, 2017 and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and 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 in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

New standard IFRS 16 "Leases"

IFRS 16 "Leases" replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. The Company has not yet assessed the future impact of this new standard on its financial statements.

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates 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 assumptions 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 Company's significant accounting policies are detailed in Notes 2 accompanying the audited financial statements for the years ended March 31, 2017 and 2016.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts held with major banks in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist of refundable government goods and services taxes.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account anticipated cash flows from operations and holdings of cash.

At June 30, 2017, the Company had current liabilities of $251,438 that are either overdue or payable within the next twelve months. Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements, loans and advances from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding, or continued support from related parties by way of loans or advances.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and other price risk. These are discussed further below:

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and this risk is considered minimal.

Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in Canada and therefore is not exposed to currency risk.

Commodity Price Risk

Commodity price risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in commodity prices. The Company's financial instruments are not exposed to risk resulting from price fluctuations of commodities.

Other Price Risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk, price risk or foreign exchange risk. The Company is exposed to changes in market prices as this can impact the value of its marketable securities.

Capital Management

The Company's policy is to maintain a sufficient capital base to sustain investor and creditor confidence and future development of its business. The capital structure of the Company consists of share and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Fair Value

The fair value of the Company's financial assets and liabilities approximates the carrying amount because of the short-term nature of these instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account anticipated cash flows from operations and holdings of cash.

The Company's financial instruments measured at Level 1 include cash and marketable securities. Accounts payable and loan payable are classified as non-derivative financial liabilities.

RISKS & UNCERTAINTIES

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company'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 Company's securities could decline and investors may lose all or part of their investment.

The Company requires additional financing in order to pursue its business objectives.

In order to execute the current business objectives, the Company will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to the capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

The Company expects to incur significant costs in connection with the Transaction.

The Company will incur significant direct transaction costs in connection with the Transaction. Actual costs incurred in connection with the Transaction may be higher than expected. Moreover, certain of the Company's costs related to the Transaction, including legal, financial advisory services and accounting costs, must be paid even if the Transaction is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of their respective businesses in the ordinary course.

Trading in the Company's common shares may remain halted until completion of the Transaction.

Upon public announcement of the Transaction, trading in the Company's common shares on the TSXV was halted for an indefinite period of time pending completion of review of the Transaction by the TSXV. Reinstatement of trading prior to completion of the Transaction, to the extent it occurs, will provide no assurance with respect to the merits of the Transaction or the likelihood of the Company completing the Transaction.

The Amalgamation Agreement may be terminated in certain circumstances.

Each of the Company and Delta 9 has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Amalgamation Agreement will not be terminated by either the Company or Delta 9 before the completion of the Transaction.

There can be no assurance that all conditions precedent to the Transaction will be satisfied.

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Company, including obtaining the requisite Delta 9 shareholder and TSXV approvals and completion of the Concurrent Financing. There is no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Company or the trading price of the Company's common shares. If for any reason the Transaction is not completed, the market price of the Company's common shares may be adversely affected. Moreover, if the Amalgamation Agreement is terminated, there is no assurance that the Company will be able to find an alternate transaction to pursue.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain statements that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that Company or its management expects or anticipates will or may occur in the future constitute forward-looking statements. Forward-looking statements are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. Forward-looking statements in this MD&A include statements regarding the proposed Transaction with Delta 9 and the Concurrent Financing.

These forward-looking statements are based on certain assumptions and analyses made by Company and its management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Although the Company believes such forward-looking statements are based on reasonable assumptions, investors are cautioned that any such statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in such forward-looking statements. Whether actual results will conform to the expectations of the Company is subject to a number of risks and uncertainties, including those risk factors discussed under "Risk Factors" elsewhere in this MD&A. In particular, if any of the risk factors materialize, management's expectations underlying the forward-looking statements may need to be re-evaluated.

Consequently, all of the forward-looking statements in this MD&A are expressly 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 anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.