SVT Capital Corp.

(Formerly Verona Development Corp.)

Management Discussion and Analysis

For the nine months ended December 31, 2016

February 28, 2017

The following discussion is Management Discussion and Analysis ("MDA") of the results of operations and financial conditions of SVT Capital Corp. ("SVT" or "the Company") for the nine months ended December 30, 2016, and should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes thereto for the nine months ended December 31, 2016, and the audited financial statements and related notes thereto and the related MD&A for the years ended March 31, 2016 and 2015 ("Financial Report").

All financial information in this MD&A related to 2016 and 2015 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 February 28, 2017.

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

BUSINESS OVERVIEW

SVT Capital Corp. (the "Company") is an exploration stage enterprise incorporated under the laws of British Columbia under the name Verona Development Corp. On August 19, 2016, its name was changed to SVT Capital Corp. The Company's shares are trading on the TSX Venture Exchange under the new symbol "VTC". The Company is engaged in the acquisition of exploration and evaluation assets.

During the year ended March 31, 2016, the Company announced the appointment of Anthony Jackson, Konstantin Lichtenwald and Kenneth Tollstam to the Board of the Company replacing Gurminder Sangha, Martin Wood and Rudiger Brauer, who have resigned from the company. Mr. Jackson will replace Mr Brauer as the Company's Chief Executive Officer, and Konstantin Lichtenwald will serve as the Company's Chief Financial Officer.

On April 4, 2016, the Company announced the appointment of Von Torres to the Board of Directors.

Mineral Properties

Cherryville, British Columbia

On April 15, 2014, the Company entered into an option agreement with Chris Knudsen, entitling the Company to acquire 100% interest in the Cherryville project. The Cherryville project consists of four mineral claims, which are located approximately 65 kilometers east of Vernon, British Columbia, off Creighton Valley Road. The owner retained a 3% net smelter returns royalty (the "NSR"), subject to a royalty option of which the Company may purchase the 1% of the NSR at any time prior to commencement of commercial production. On April 4, 2016, the Company decided not to pursue the option agreement on the Cherryville property and will continue to review and pursue other strategic options available.

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	December 31, 2016 $	September 30, 2016 $	June 30, 2016 $	March 31, 2016 $
Revenues	-	-	-	-
Net loss – continuing operations	(105,319)	(25,581)	(21,479)	(73,869)
Net loss – discontinued operations	-	-	-	-
Total net loss	(105,319)	(25,581)	(21,479)	(73,869)
Basic and diluted loss per share - continuing operations	(0.05)	(0.02)	(0.02)	(0.07)
Basic and diluted loss per share - discontinued operations	-	-	-	-
Basic and diluted loss per share	(0.05)	(0.02)	(0.02)	(0.07)
	December 31, 2015 $	**September 30, 2015 $**	**June 30, 2015 $**	**March 31, 2015 $**
Revenues	-	-	-	-
Net loss – continuing operations	(769)	(2,101)	(16,622)	(43,644)
Net loss – discontinued operations	-	-	-	-
Total net loss	(769)	(2,101)	(16,622)	(43,644)
Basic and diluted loss per share - continuing operations	(0.00)	(0.00)	(0.02)	(0.04)
Basic and diluted loss per share - discontinued operations	-	-	-	-
Basic and diluted loss per share	(0.00)	(0.00)	(0.02)	(0.04)

The Company is an exploration company. Operating expenses are highly variable for exploration companies which are dependent on the Company's level of exploration activity. In part, the Company's treasury determines the levels of exploration.

At this time, any issues of seasonality or market fluctuations have no significant impact.

RESULTS FROM OPERATIONS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

The Company had a net loss for the nine months ended December 31, 2016 of $152,379 (2015 - $19,492).

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

- Management fees were $46,045 for the nine months ended December 31, 2016 (2015 - $15,000). The increase was due to increased corporate activity during the current period.
- Office expenses were $7,697 for the nine months ended December 31, 2016 (2015 - $1,148). The increase was due to the increased general office costs during the current period.

- Professional fees were $8,878 for the nine months ended December 31, 2016 (2015 - $1,157). The increase was due to increased legal fees incurred in the current period.
- Consulting fees were $70,700 for the nine months ended December 31, 2016 (2015 - $Nil). The increase was due to increased corporate activity during the current period and consulting work related to RTO transaction.
- Regulatory, transfer and filing fees were $19,059 for the nine months ended December 31, 2016 (2015 - $2,187). The increase was due to the higher regulatory periodic filing fees incurred in the current period.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2016, the Company had a working capital deficiency of $117,725 compared to $449,860 at March 31, 2016.

The Company began the fiscal period ended December 31, 2016, with $Nil in cash. During the nine months ended December 31, 2016, the Company spent $496,040 on its operating activities, net of working capital changes, and received $502,000 on its financing activities, to end on December 31, 2016, with $5,960 in cash.

On October 7, 2016, the Company closed the first tranche of a non-brokered private placement of 1,818,181 units at a price of 11 cents per unit for gross proceeds of $200,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of 15.5 cents, expiring one year from the issuance date. The securities issued under the first tranche are subject to a hold period expiring on February 8, 2017. The net proceeds of the first tranche will be applied to the Company's general working capital.

During the nine months ended December 31, 2016, the Company received $40,500 in share subscriptions toward a private placement which has not closed at December 31, 2016.

On November 18, 2016, the Company closed the second tranche of a non-brokered private placement of 2,181,819 units at a price of 11 cents per unit for gross proceeds of $240,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of 15.5 cents, expiring one year from the issuance date.

The Company began the fiscal period ended December 31, 2015, with $700 cash. During the nine months ended December 31, 2015, the Company incurred $582 from operating activities, net of working capital changes, to end at December 31, 2015 with $118 in cash.

The Company estimates its current capital resources will not provide the Company with sufficient financial resources to carry out its exploration and development activities and operations through the next twelve months. The Company will therefore need to raise additional financial resources through 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 other arrangements for sources of financing.

SUMMARY OF OUTSTANDING SHARE DATA AS THE DATE OF THIS MD&A

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 December 31, 2016	5,070,490
Outstanding at the date of this MD&A	5,470,490

SUMMARY OF OUTSTANDING OPTION AND WARRANT DATA AS THE DATE OF THIS MD&A

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. The exercise price of the options in set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSX-V.

The Company does not have any stock options outstanding as of December 31, 2016.

The Company has the following number of warrants outstanding at the date of this MD&A:

	Share purchase warrants Issued and outstanding
Outstanding as at December 31, 2016	4,000,000
Outstanding at the date of this MD&A	4,400,000

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2016, 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 are due to related parties:

	December 31, 2016	March 31,2016
Due to a relative of a director of the Company	$ -	$ 343,700
Due to a company controlled by a director of the Company	71,050	63,000
	$ 71,050	$ 406,700

As at December 31, 2016, the Company owed $24,500 loan payable 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 and nine months ended December 31, 2016 and 2015, as follows:

	Three months ended		Nine months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Management fees	$ 16,045	$ -	$ 46,045	$ 15,000

c) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three and nine months ended December 31, 2016 and 2015 were as follows:

	Three months ended		Nine months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Short-term benefits	$ 16,045	$ -	$ 46,045	$ 15,000

SUBSEQUENT EVENTS

Private Placement

Subsequent to quarter end, the Company closed its $60,000 non-brokered private placement. The private placement consisted of the issuance of 400,000 units at a price of 15 cents per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of 20 cents expiring one year from the issuance date. The net proceeds of the non-brokered private placement will be applied to the Company's general working capital.

Letter of Intent with Delta 9 Bio-Tech Inc.

On February 28, 2017, the Company has entered into a letter of intent, effective Feb. 27, 2017, with Delta 9 Bio-Tech Inc., an arm's-length Manitoba-based licensed producer of medical cannabis, pursuant to which SVT has agreed to acquire all of the securities of Delta. Pursuant to the terms of the LOI, the shareholders of Delta will receive one common share of SVT (each, a "SVT Share") for each share of Delta held. In connection with the completion of the Transaction (the "Closing"), SVT intends to change its name to "Delta 9 Cannabis Inc." or such other name as may be agreed by the parties.

The Transaction will result in the reverse takeover of SVT by Delta (as defined in the policies of the TSX Venture Exchange (the "TSXV")). SVT and Delta are parties dealing at arm's length, therefore the Transaction will not be a non-arms' length transaction under the policies of the TSXV. Upon successful completion of the Transaction, it is anticipated that SVT will be listed as a Tier 2 Industrial issuer on the TSXV.

Terms of the Transaction
It is anticipated that the completion of the Transaction will involve, among other things, the following steps, but the parties may agree to a different structure based on tax efficiencies and the advice of legal and financial advisors:

SVT will assist Delta in obtaining a secured bridge loan in the minimum amount of $3,000,000 (the "Bridge Loan"), which will be advanced to Delta concurrently with the execution of the formal agreement (the "Formal Agreement") for the Transaction. The terms of the Bridge Loan are expected to include, but not be limited to: (a) an interest rate of 10% per annum; (b) a maturity date of one year from the date of the advance of the Bridge Loan (the "Maturity Date"); (c) principal and accrued interest payable on the Maturity Date; (d) security to be evidenced by a general security agreement (a "GSA"), to be executed by Delta in favour of the lender(s), granting to the lender(s) a security interest in all present and after acquired property and any real estate interests held by Delta; and (e) all principal plus accrued but unpaid interest thereon being convertible, on the Closing, into SVT Shares; SVT will acquire all the shares of Delta by way of a three-cornered amalgamation between SVT, Delta and a wholly-owned subsidiary of SVT ("Newco") to be formed for the purpose of completing the amalgamation; shareholders of Delta will receive one SVT Share for each share of Delta, provided that the number of SVT Shares shall not exceed 44,648,596 SVT Shares; SVT will complete a financing to raise gross proceeds of at least $3,000,000, on terms to be determined (the "Concurrent Financing").

As at the date hereof, SVT has 5,470,490 SVT Shares issued and outstanding and Delta has 35,000,000 Class A common voting shares (the "Class A Shares") and 6,148,596 Class B common voting shares (the "Class B Shares") issued and outstanding, on an undiluted basis. Certain of the SVT Shares issuable pursuant to the Transaction and the Concurrent Financing will be subject to the escrow requirements of the TSXV or hold periods as required by applicable securities laws. It is not expected that shareholder approval will be required for the Transaction under the policies of the TSXV. A summary of significant financial information with respect to Delta will be included in a subsequent news release.

Completion of the Transaction will be subject to certain conditions which may be waived by the parties, including:

- completion of satisfactory due diligence by the parties; SVT and Delta obtaining the consent of any parties from whom consent to the consummation of the Transaction is required, including shareholders of Delta, the TSXV and other applicable regulatory authorities, and the shareholders of SVT if required;
- completion of the Concurrent Financing;
- Delta purchasing all of the assets of Delta 9 Bio-Tech Limited Partnership (the "Partnership Buyout"); insiders of SVT having executed a pooling agreement;
- SVT having not more than $10,000 in outstanding liabilities on Closing (excluding costs related to the consummation of the Transaction) and Delta having positive working capital as of Closing;
- and other standard closing conditions, including there being no material adverse change in relation to the business of SVT or Delta, the representations and warranties of the parties in the remaining true and accurate of at the closing of the Transaction, and there being no material action, claim, demand, investigation or other proceeding in progress, pending or threatened against SVT or Delta, which involve the reasonable likelihood of any judgment or liability against either party.

Each of SVT and Delta have agreed to pay a break fee in the event that: (a) there has been a breach or failure to perform any covenant or agreement of the LOI or the Formal Agreement that would result in the Transaction not being consummated; (b) either party abandons the Transaction for any reason other than failing to proceed as a result of its due diligence review; or (c) either party accepts or enters into an agreement with respect to transaction other than the Transaction.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

A number of standards, amendments to standards and interpretations are not yet effective as of December 31, 2016 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, 2016 and 2015.

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 December 31, 2016, the Company has current liabilities of $151,275 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 oil and gas or other 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:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, and regulatory requirements, environmental regulations risks. Exploration for oil involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Substantial Capital Requirements

The Company anticipates that it will make substantial capital expenditures for the acquisition, exploration, development, and production of oil reserves in the future. If the Company's revenues or reserves decline, the Company may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects.

Reliance on Operators and Key Employees

The Company is not the operator on all of its prospects and may not be the operator of certain gas properties in which it acquires an interest. To the extent the Company is not the operator of its gas properties; the Company will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators. The operator may incur liability for liens related to its subcontractors. If subcontractors fail to timely pay for materials and services, the assets of the operator could be subject to material men's and workmen's liens. In that event, the operator could incur excess costs in discharging such liens.

In addition, the success of the Company will be largely dependent upon the performance of its management and key employees. The Company does not have any key man insurance policies, and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Company.

Permits, Licenses and Government Regulations

Governmental permits and approvals for drilling operations must be obtained for the project, which can be a costly and time consuming process and result in restrictions on operations.

Regulatory authorities exercise considerable discretion in the timing and scope of permit issuance. Requirements imposed by these authorities may be costly and time consuming and may result in delays in the commencement or continuation of exploration or production operations. Further, the public may comment on and otherwise engage in the permitting process, including through intervention in the courts. Accordingly, the permits that are needed may not be issued, or if issued, may not be issued in a timely fashion, or may involve requirements that restrict the ability to conduct the operations on the Project or to do so profitably.

Oil and gas exploration is subject to significant regulation. Changes in these regulations may have a material adverse impact on the Company's operations.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring oil and gas properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

At December 31, 2016, the following persons are directors of the Company: Konstantin Lichtenwald, Anthony Jackson, Kenneth Tollstam and Von Torres.

FORWARD-LOOKING STATEMENTS

This MD&A may include or incorporate by reference certain statements or disclosures 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 information. Forward-looking information is provided through statements that 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.

These forward-looking statements are based on certain assumptions and analyses made by Company and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although the Company believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and 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 and the documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations, and the predictions based on them, of the Company may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference 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.