LGC CAPITAL LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended December 31, 2017

As at March 1, 2018

Management's Discussion and Analysis
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The following management's discussion and analysis ("MD&A") of the results of operations and financial condition of LGC Capital Ltd. ("LGC Capital" or the "Company") covers the three months ended December 31, 2017 and 2016. It should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements of LGC Capital for the three-month periods ended December 31, 2017 and 2016.

The unaudited condensed interim consolidated financial statements of LGC Capital for the three-month periods ended December 31, 2017 and 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise noted. Certain dollar amounts in this MD&A are expressed in Australian dollars ("AUD").

Forward-Looking Statements

Certain of the information contained in this MD&A may contain "forward-looking statements". Forward-looking statements may include, among others, statements regarding the Company's future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. In this MD&A, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate", "seek", "forecast" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control. These risks and uncertainties include, but are not limited to, those described under the heading "Risk Factors and Risk Management" in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events or circumstances or otherwise, except if required by applicable law.

Overview

LGC Capital Ltd. was incorporated under the *Canada Business Corporations Act* on July 9, 2004. LGC Capital Ltd. is a publicly-listed company and its shares are listed on the TSX Venture Exchange under the symbol "LG" ("QBA" prior to September 18, 2017 and "KWC.H" prior to July 12, 2016).

The registered office of the Company is at 800 Place Victoria, Suite 3700, Montreal, Québec H4Z 1E9, Canada.

On July 12, 2016, Leni Gas Cuba Limited ("Leni Gas Cuba"), completed a reverse asset acquisition and takeover ("RTO") of LGC Capital (formerly Knowlton Capital Inc.). On completion of the RTO, Knowlton Capital Inc. changed its name to LGC Capital Ltd. As a result of the RTO, for accounting purposes, Leni Gas Cuba, the legal acquiree, is the accounting acquirer of LGC Capital. The results of operations of LGC Capital are included in the financial information in this MD&A post completion of the RTO on July 12, 2016.

LGC Capital and its wholly-owned subsidiaries Leni Gas Cuba and LGC Capital EU OU are collectively referred to as the "Company" in this MD&A.

Description of the Company's Business

LGC Capital is an investment holding company, with the prime objective of becoming a diversified business group with core business divisions that provide shareholders with exposure to a diverse range of high growth businesses, products and services. Towards its growth strategy, the Company is currently increasing its investment footprint in the fast growing and globally expanding legalized Medicinal Cannabis sector, with the exception of investments in businesses operating in the United States.

The Company's aim is to be actively involved and invested in as many jurisdictions globally that allow legal cultivation and production of medical cannabis products.

LGC Capital's significant investments and activities, as at March 1, 2018, are as follows:

Medical Cannabis Sector:

The Company is on an aggressive acquisition path to acquire and invest in significant medical cannabis businesses around the world, such that LGC Capital is ultimately aiming to have a broad global footprint in the sector. LGC Capital's focus is to be actively involved and constantly seeking new investment opportunities on numerous continents, as the world gradually enacts new medical cannabis legislation.

Canada:

- Tricho-Med Corporation (doing business as "AAA Trichomes"), whose objective is to establish itself as one of the largest growing operations of medical cannabis in Quebec, Canada. LGC Capital has provided AAA Trichomes with a four-year secured convertible loan of $4,000,000 which will convert into a 49% equity interest in AAA Trichomes on it obtaining a license to produce medical cannabis from the relevant regulatory authorities.

Jamaica:

- On January 26, 2018, LGC Capital signed a Letter of Intent with rapidly-developing Jamaican medical cannabis company Global Canna Labs Limited ("Global Canna Labs") and one of its major shareholders for a strategic investment in the Jamaican cannabis market as part of LGC Capital's ongoing international expansion. The Letter of Intent provides that LGC Capital will subscribe for a $2,500,000 secured debenture, to be disbursed in tranches in accordance with the achievement of milestones in Global Canna Labs' business plan, which debenture will be convertible into an initial 30% strategic interest in Global Canna Labs, and that LGC Capital will also acquire a 5% royalty on Global Canna Labs' net sales for $2 million, payable in shares of LGC Capital. This transaction is subject to satisfactory due diligence and to regulatory approval, including that of the TSX Venture Exchange.

Australia:

- LGC Capital currently owns a 14.99% interest in licenced Australian medical cannabis company Habi Pharma Pty Ltd (doing business as "Little Green Pharma"), which is licenced by the Australian Government to commercially produce medical cannabis for the Australian market, with planting having commenced in December 2017.

Africa:

- LGC Capital has a 50/50 joint venture with AfriAg (Pty) Ltd ("AfriAg") to develop legal medical cannabis in the southern African region. This JV has the exclusive right to acquire a 60% beneficial interest in South Africa-based House of Hemp (Pty) Ltd ("House of Hemp"), subject to completion of satisfactory due diligence, completion of standard acquisition and shareholder documentation and TSX Venture Exchange approval. House of Hemp has a long-term lease on 424,000 square feet of fully-operational glasshouses and support facilities at Dube TradePort AgriZone Block "D" located at Durban's International Airport in South Africa. Due diligence is still underway on the House of Hemp transaction. LGC Capital and AfriAg are also reviewing a number of other investment opportunities in the medical cannabis sector in southern Africa.

Europe:

- Pursuant to a Binding Letter of Intent with Creso Pharma Limited ("Cresco") and Baltic Beer Company Ltd (UK) ("Baltic Beer"), the Company, Cresco and Baltic Beer will each have a one-third interest in the joint venture company CLV Frontier Brands Pty Ltd ("CLV"). CLV is developing and intends to manufacture and market a bespoke portfolio of cannabis and hemp-derived alcoholic and non-alcoholic beverages containing various ingredients, seeds, extracts and terpenes from hemp and cannabis plants. Cresco is a Swiss-based and Australian-listed pharmaceutical company, and Baltic Beer is a UK-based company and the producer of the award winning Viru Beer in Estonia. The Company's involvement in the joint venture is subject to the approval of the TSX Venture Exchange.

Cannabis Tech:

- The Company plans to utilise the latest blockchain technologies to develop an efficient global marketplace technology platform for a reliable and verifiable purchase and payment system and use Internet of Things ("IOT") technologies to track cannabis product shipments so as to provide assurance to consumers regarding the sourcing and quality of products.

Merchant Banking:

The Company has established a merchant banking division to pursue global high-yield investment opportunities, which will run parallel with and will not deter efforts from LGC Capital's cannabis investments and the pursuit of additional cannabis opportunities.

Further to the Company's establishment of a merchant banking division, the Company entered into a Letter of Intent with UK-based fire safety and security company Etea Sicurezza Group Ltd ("Etea Sicurezza") for a potential acquisition of approximately 20% of Etea Sicurezza by the Company. The proposed transaction is subject to a number of conditions, including completion of due diligence reviews by the Company, the negotiation and execution of a definitive agreement in respect of the transaction, and approval by the TSX Venture Exchange. The Company has provided a guarantee in respect of notes issued by Etea Sicurezza with a principal of USD$1,000,000 and will receive a 3% equity interest in Etea Sicurezza and a fee in consideration for providing this guarantee.

Listed Securities:

- 1.49% of Melbana Energy Limited ("Melbana"), an Australian-listed oil and gas explorer.

Review of Activities

Capital Raising

On December 1, 2017, the Company announced that it had raised gross proceeds of $2,980,773 at a first closing of a private placement by issuing 19,871,822 units at a price of $0.15 per unit. On December 7, 2017, the Company announced the completion of the private placement by issuing 5,000,000 additional units for gross proceeds of $750,000 at a second closing. As a result, LGC Capital raised a total of $3,730,773 in the private placement by issuing 24,871,822 units, each comprised of one common share and one common share purchase warrant. Each warrant entitles its holder to acquire one additional common share at a price of $0.25 for a period of 18 months from the closing date. In the event that the volume weighted average trading price of LGC Capital's shares on the TSX Venture Exchange for a period of ten consecutive trading days is at least $0.30, LGC will be entitled to send a notice to the holders of the warrants accelerating the expiry date of the warrants to a date not less than 30 days after the date of such notice.

The Company will use the net proceeds from the private placement to meet its obligations within the Company's current cannabis investment portfolio and for working capital.

At the first closing, LGC Capital paid cash commissions to various securities dealers in an aggregate amount of $127,624, representing 5% of the proceeds from the sale of units sold through such dealers. In addition, LGC Capital issued an aggregate of 850,828 "broker warrants" to such dealers, representing an amount equal to 5% of the number of units sold through them. Each of the "broker warrants" entitles its holder to purchase one additional unit at a price of $0.15 for a period of 18 months from the closing date of the private placement. The securities issued at the first closing are subject to a "hold period" which expires on April 2, 2018.

At the second closing, the Company paid a cash commission of $37,500 and issued 250,000 "broker warrants" to one person, representing 5% of the proceeds from the closing and 5% of the number of units issued at the closing, respectively. Each of the "broker warrants" entitles its holder to purchase one additional unit at a price of $0.15 for a period of 18 months from the closing date of the private placement. The securities issued at the second closing are subject to a “hold period” which expires on April 8, 2018.

Little Green Pharma (Australia)

On October 5, 2017, the Company executed a subscription agreement with the licensed Australian medical cannabis company Habi Pharma Pty Ltd (doing business as “Little Green Pharma”). On October 12, 2017, the Company completed the initial acquisition of 2,161,091 shares of Little Green Pharma, representing an initial 4.99% of its issued and outstanding share capital, by paying AUD$432,218 and issuing 5,660,000 common shares of LGC Capital at a deemed issue price of $0.11 per share ($622,600), for a total consideration of $1,045,568. Closing was conditional upon the Company having obtained all requisite regulatory and TSX Venture Exchange approvals.

On October 23, 2017, the Company announced that Little Green Pharma had now received its final permits from the Australian Government enabling it to move to its first commercial production of medical cannabis for the Australian market. On December 14, 2017, the Company announced that Little Green Pharma commenced planting its first medical cannabis crop in Australia.

Further, on November 1, 2017, as a result of share issuances by Little Green Pharma to other parties, the Company subscribed for a further 752,937 shares of Little Green Pharma for cash consideration of AUD$150,587 so as to maintain its 4.99% shareholding.

Under the subscription agreement, subject to certain Australian regulatory approvals, and subject to approval by Little Green Pharma in its sole discretion, LGC Capital may further subscribe, at its option, for additional shares of Little Green Pharma in order to increase its shareholding to a maximum of 19.03%.

On December 14, 2017, the Company subscribed for an additional 4,585,972 shares of Little Green Pharma for cash consideration of AUD$917,194, thereby increasing its shareholding to 11.91%. This followed confirmation from the Australian Government’s Office of Drug Control for the Company to increase its interest in Little Green Pharma above 4.99%.

On February 15, 2018, the Company announced the completion of an increase in its strategic interest in Little Green Pharma from 11.91% to 14.99%. At closing, Little Green Pharma issued 2,283,495 additional shares to the Company at a deemed issue price of AUD $1.16398 per share for a total consideration of approximately AUD $2,657,950. The Company paid for the shares by issuing 5,000,000 shares in the Company to Little Green Pharma at a deemed issue price of $0.53 per share, representing the closing price of the Company’s shares on the TSX Venture Exchange on January 19, 2018, for a total consideration of $2,650,000, equivalent to AUD $2,679,150 based on the Bank of Canada exchange rate on February 14, 2018. The 5,000,000 shares in the Company are subject to a “hold period” which expires on June 15, 2018. The subscription agreement entered into by the Company and Little Green Pharma at closing contains an undertaking by the Company to participate in Little Green Pharma’s next capital raise, by June 30, 2018, to the extent required to maintain the Company’s 14.99% shareholding in Little Green Pharma.

AAA Trichomes (Montreal, Quebec, Canada)

On October 31, 2017, the Company announced that it had signed an option with Quebec-based Tricho-Med Corporation, doing business as AAA Trichomes (“AAA Trichomes”) to loan $4 million to AAA Trichomes, convertible in certain circumstances into 49% of the then-issued and outstanding shares of AAA Trichomes and a 5% royalty on its net sales. AAA Trichomes is planning to build a new cannabis processing facility in the Province of Quebec.

Subject to permitting, the AAA Trichomes processing facility will be one of the first enclosed multi-level medical cannabis facilities in Quebec. AAA Trichomes is scheduled to start operations in 2019 with an initial annual production rate of over 2,500 kilograms reaching a planned production rate of over 20,000 kilograms by 2021.

On December 18, 2017, the Company announced that the TSX Venture Exchange had approved the Company's proposed transaction with AAA Trichomes.

On January 8, 2018, the Company announced that it had finalized the transaction with AAA Trichomes and entered into a four-year secured convertible loan agreement with AAA Trichomes in an amount of $4,000,000 (the "Loan"), which will be disbursed in accordance with a pre-agreed milestone disbursement schedule. Upon AAA Trichomes obtaining a license to produce medical cannabis from the relevant regulatory authorities, the Loan will convert into common shares of AAA Trichomes representing 49% of AAA Trichomes' then-issued and outstanding shares. LGC Capital will also receive a 5% royalty on AAA Trichomes' net sales. The Loan will bear interest at an annual rate of 10%, have a term of four years and be secured by first-ranking security on all of AAA Trichomes' assets. In the event that AAA Trichomes does not become a publicly-listed company within twelve months of having obtained the licence, LGC Capital will receive such number of shares so that it owns 54% of the then-issued and outstanding shares of AAA Trichomes, subject to approval by the TSX Venture Exchange.

On Febuary 21, 2018, the Company announced that AAA Trichomes is currently in the process of building its initial 34,000 square foot (Phase-1) Medical Cannabis production facility, located only twenty minutes south-west of Montreal's Mirabel International Airport. (See picture of location below - The red circle indicates the location.)

The construction of the first stage of this new state-of-the-art greenhouse is now underway and is scheduled to be completed by the fall 2018. AAA Trichomes is currently finalizing the selection of the turn-key contractors for the construction of the steel structure/outside envelope of the facility and is in the final process of choosing the Heating Venting and Air-Conditioning suppliers for the facility. The company has already commenced detailed planning for its Phase-2 and Phase-3 expansions that will advance the facility's overall size to over one million square feet of cultivating and processing capacity.

AAA Trichomes has also formally engaged Cannabis Compliance Inc., Canada's original cannabis consulting firm (www.cannabiscomplianceinc.com) to manage its compliance and licensing approvals. Cannabis Compliance Inc. has successfully guided a number of Canadian Medical Cannabis companies through the Health Canada approval process.

AAA Trichomes is on track for its Health Canada inspection by the fall of this year. The company expects to run its two trial harvests as soon as Phase-1 construction is complete, which is a condition to being granted a full growing and production license.

As per LGC's formal agreements with AAA Trichomes, LGC has now forwarded its second of four installments of CAD $1 million to AAA Trichomes to fund the construction.

AfriAg Joint Venture and House of Hemp

On June 26, 2017, the Company announced that it had entered into a strategic alliance with AfriAg (Pty) Ltd ("AfriAg") to create a new 50/50 Joint Venture to grow and distribute medical and recreational cannabis products in the southern African region for export to regulated and certified end users around the world.

To the Company's knowledge, AfriAg has extensive experience with managing agriculture operations including greenhouse cultivation. It also owns and manages certified facilities and is one of the largest distributers of perishable food products by airfreight to the world from the southern African region. AfriAg is a global agriculture and agri-logistics specialist, and provides crop growing and logistics solutions, food marketing and bespoke distribution services, by road, air and sea, to many major food retailing and wholesale corporations around the world. AfriAg is 40% owned by London-listed AfriAg Global PLC. David Lenigas, Co-Chairman and a director of LGC Capital, is Executive Chairman of AfriAg Global PLC and a director of AfriAg.

The new Joint Venture will aim to develop a fully-regulated cannabis growing and processing industry in the southern African region for export to certified end users world-wide. AfriAg will assist LGC Capital with securing significant agricultural land packages and processing facilities in the region to grow cannabis crops and produce, including seeds, cannabis extracted oils, dried marijuana leafs, cigarettes and vapours.

On July 18, 2017, the Company announced that the Company and AfriAg, its strategic joint venture partner on this medical cannabis initiative, had signed sole and exclusive agreements to acquire a 60% interest in South Africa's House of Hemp.

The Company announced that it and AfriAg had been working closely with House of Hemp's senior management and advisors during this extensive due diligence period to date since the Company announced this proposed acquisition in July 2017, that due diligence was progressing well and on track, and that all parties were working to secure the upgraded permits necessary to commence research, cultivation and commercial production of medical cannabis within the new proposed Medical Controls Council (MCC) guidelines which were released in November 2017.

House of Hemp in South Africa has a long-term lease on the only South African certified indoor growing facility for the possession and cultivation of the Cannabis Sativa Plant for research purposes which includes growing, extraction and packaging, at the Dube TradePort AgriZone, which is located within the highly secure precinct of the Durban International Airport.

The Greenhouse "Block D" site is currently the only approved hemp/cannabis indoor growing site in South Africa. The site consists of approximately 37,633m² (405,000 square feet) of fully equipped, temperature regulated and humidity controlled greenhouse under glass plus associated support infrastructure comprising refrigerated pack houses, laboratories and offices covering 1,760m2 (19,000 square feet).

In 2010, House of Hemp became the first private company in South Africa to be awarded an exclusive permit from the Department of Agriculture and the Department of Health to legally cultivate and process hemp and cannabis products and has licences in place to import cannabis seed and products.

Since its establishment, House of Hemp has been targeting research on all cannabis-related markets (textiles/fibres, oil/nutrition and medicinal) and has been appointed to coordinate commercial research on medical cannabis and is currently in the process of securing a second R&D license to grow and commercialize medicinal cannabis and medicinal cannabis products with varying Tetrahydrocannabinol ("THC") and CBD content, and to operate legally in South Africa.

LGC Capital and AfriAg jointly signed a binding agreement with House of Hemp, for the sole and exclusive right to acquire a 60% beneficial interest in House of Hemp, with an initial payment of $19,595 and $37,000 monthly for a period of six months to keep House of Hemp fully funded while completing the transfer of interest documentation and to allow for sufficient time to complete investigative studies on the most cost efficient ways of commencing scalable production. This transaction is subject to completion of satisfactory due diligence and TSX Venture Exchange approval.

In connection with this exclusive option and due diligence, the Company accrued expenses of $77,707 for the three months ended December 31, 2017 [2016 – nil].

Joint Venture with Creso Pharma and Baltic Beer (Europe)

On November 9, 2017, the Company announced the formation of a strategic alliance with Creso Pharma Limited ("Cresco"), an Australian-listed and Swiss-based pharmaceutical company, intended to create a vertically-integrated cannabis operation with a global footprint spanning cultivation, IP generation, innovative product development and commercialisation.

On November 29, 2017, the Company announced it had signed a Binding Letter of Intent with Creso and Baltic Beer Company Ltd (UK) ("Baltic Beer") to develop and market a bespoke portfolio of cannabis- and hemp-derived alcoholic and non-alcoholic beverages containing various ingredients, seeds, extracts and terpenes from hemp and cannabis plants. The beverages will not contain THC or CBD or any other cannabinoids. Baltic Beer is the producer of the multi-award winning Viru Beer in Estonia.

On January 11, 2018, the Company announced the launch of the joint venture company CLV Frontier Brands Pty Ltd ("CLV"), in which the Company, Cresco and Baltic Beer will each have a one-third interest. The Company's involvement in the joint venture is subject to the approval of the TSX Venture Exchange. CLV is targeting to ship the first test batch of an initial four-beer range containing cannabis-derived terpenes in April / May 2018, with commercial sales expected to commence in June / July 2018.

Etea Sicurezza Group (Merchant Banking)

On October 10, 2017, the Company announced that it has formally established a merchant banking division, which will pursue global high-yield investment opportunities. As part of this announcement, the Company announced that it had entered into an agreement with a Toronto-based investment firm whereby LGC Capital will guarantee repayment by Etea Sicurezza Group Ltd ("Etea Sicurezza") of notes issued by Etea Sicurezza in an aggregate principal amount of US$1,000,000 (the "Notes"). The Notes have a term of two years, bear interest at a rate equal to LIBOR + 8%, and are secured by the assets of Etea Sicurezza and by a pledge of shares by Etea Sicurezza's principal shareholder. As consideration for the guarantee, Etea Sicurezza will issue shares to LGC Capital representing 3% of its outstanding shares and pay an annual cash fee to LGC Capital.

Based in London, England, Etea Sicurezza (www.eteasicurezzagroup.com) is a private company which specializes in fire safety and security by providing products and services to international companies such as L'Oreal, Coca Cola, BASF, Doha Metro and others. Etea Sicurezza was founded in 1998 and is now a global leader in the field of high-tech safety with offices in seven countries and agents in 20 countries. Etea Sicurezza operates as an EPC (Engineering, Procurement and Construction) contractor implementing safety systems, and provides proprietary and patented technologies that are customized and fully compliant with international standards.

On November 1, 2017, the Company announced that it had entered into a letter of intent with Etea Sicurezza for a potential acquisition of approximately 20% of Etea Sicurezza by LGC Capital. The letter of intent will form the basis for the negotiation of a mutually-satisfactory definitive agreement to be entered into between LGC Capital, on the one hand, and Etea Sicurezza and its shareholders, on the other hand.

The letter of intent provides that LGC Capital will incorporate a new, wholly-owned subsidiary corporation (“Holdco”) which will issue 11,280,000 shares to LGC Capital; Holdco will acquire 87.5% of the issued and outstanding shares of Etea Sicurezza from its principal shareholders in exchange for an aggregate of 45,120,000 Holdco shares and will acquire the balance of 12.5% of the issued and outstanding shares of Etea Sicurezza from a minority shareholder for cash, to be funded by LGC Capital. Holdco will effect a private placement or other similar financing of 1,200,000 shares at a price of $0.83333 per share for gross proceeds of $1,000,000. The minority Etea Sicurezza shareholder will undertake to subscribe for common shares of LGC Capital by way of private placement in an amount equal to the amount it receives for its 12.5% interest at a price per share equal to the then-market price of LGC Capital's shares.

The letter of intent provides that at the closing of the proposed transaction, Holdco will have 60,000,000 shares issued and outstanding, of which, among others, the current Etea Sicurezza shareholders will hold an aggregate of approximately 75%, LGC Capital will hold approximately 19%, and new investors will hold an aggregate of 2%. Holdco will own all of the issued and outstanding shares of Etea Sicurezza and have cash of approximately $1,000,000.

The letter of intent provides that at the closing of the proposed transaction, the Board of Directors of Holdco will consist of three nominees of Etea Sicurezza and two nominees of LGC Capital, of whom at least a majority will be independent directors within the meaning of Canadian securities regulations.

The proposed transaction is subject to a number of conditions, including completion of due diligence reviews by LGC Capital and Etea Sicurezza, to their respective satisfaction; the absence of any material adverse change with respect to Etea Sicurezza; the negotiation and execution by LGC Capital and Etea Sicurezza of a definitive agreement in respect of the transaction; receipt of all corporate approvals, including approval of the Boards of Directors of LGC Capital and Etea Sicurezza; and receipt of all other necessary regulatory approvals, including that of the TSX Venture Exchange.

On March 1, the Company announced that Etea Sicurezza beat revenue expectations in 2017, closing the financial year with consolidated revenue of more than USD$10 million, a 26.5% increase over 2016 consolidated revenue of USD $7.4 million.

In partnership with the Company's Merchant Banking division, Etea Sicurezza is developing a high efficiency mist irrigation system for the Medical Cannabis Industry with the Etea Low Pressure Water Mist ("LPWM") system. LPWM is able to provide drops of 300 microns for uniform irrigation, avoiding soil damage and water waste, important for large greenhouses and plantations in controlling temperature and humidity through water misting. This is expected to be a major benefit to all global cannabis growing operations in maintaining the consistency of the growing environment. This environmentally safe alternative system has the potential to improve results, crop yields and potentially an improved bottom line for customers

Stock option grants and amendments to 2016 Stock Option Plan

On November 15, 2017, the Company granted an option to a consultant to purchase up to 5,500,000 common shares in the Company at $0.15 per share on or before November 15, 2018.

On December 8, 2017, the Company's Board of Directors granted an aggregate of 6,475,000 stock options to six of the Company's directors and officers and two consultants. The stock options have an exercise price of $0.36, representing the closing price of the Company's shares on the TSX Venture Exchange on December 7, 2017, and a term of ten years. The stock options were granted under the Company's 2016 Stock Option Plan.

In addition, on December 8, 2017, the Board of Directors amended the 2016 Stock Option Plan so as to increase the number of shares that can be issued thereunder to 58,946,726 shares, equal to 20% of the 294,733,632 common shares of the Company then issued and outstanding. The amendment to the 2016 Stock Option Plan has been conditionally approved by the TSX Venture Exchange and remains subject to shareholder approval.

Following the amendment to the 2016 Stock Option Plan, the Board of Directors granted an aggregate of 12,025,000 additional stock options to six of the Company's directors and officers and two consultants. These additional stock options also have an exercise price of $0.36 and a term of ten years and were granted under the Company's 2016 Stock Option Plan, as amended. The 12,025,000 stock options may not be exercised until such time, if any, as the Company acquires shareholder approval for the amendment to the 2016 Stock Option Plan and disinterested shareholder approval for the grant of 9,750,000 stock options to six directors and officers of the Corporation comprised in the 12,025,000 stock options.

Amendments to existing stock option grants

On November 15, 2017, the Company agreed to amend stock options with a consultant previously granted to purchase up to 20,000,000 common shares of the Company in five tranches at varying exercise prices so that two tranches are exercisable in respect of an aggregate of 8,000,000 common shares of the Company on or before May 31, 2018 and three tranches in respect of an aggregate of 12,000,000 common shares of the Company were cancelled.

Exercise of stock options

During the three months ended December 31, 2017, the Company issued a total of 100,000 common shares upon the exercise of stock options at an exercise price of $0.15 per share raising total proceeds of $15,000.

Exercise of warrants

During the three months ended December 31, 2017, the Company issued a total of 2,700,000 common shares upon the exercise of warrants at an exercise price of $0.15 per share raising total proceeds of $405,000.

Repayment of loan payable

In October 2017, the Company repaid in full the balance of the short-term unsecured loan of A$330,027 ($325,035) from Calima Energy Ltd (formerly Azonto Petroleum Limited) as at September 30, 2017.

Exit from Cuba investments

On September 26, 2017, the Company announced that its Board of Directors had resolved unanimously to immediately exit all current investments, partnerships and joint venture arrangements with companies or entities that have any business activities relating to Cuba.

Melbana Energy

During the reporting period and subsequent, the Company has taken the opportunity to lock in gains on its investment in Australian-listed oil and gas explorer Melbana (previously MEO Australia Limited) through on-market sales. Melbana Energy is an Australian independent oil and gas company that has a portfolio of exploration, appraisal and development stage opportunities primary in Australia and New Zealand.

From an initial holding of 140,716,573, the Company has divested to date a total of 115,954,355 shares at an average of AUD$0.014 per share, which represents a positive return on its entrance price of AUD$0.01 per share.

During the three-month period ended December 31, 2017, the Company divested 44,140,121 [2016 – 9,046,943] shares in Melbana at an average price of A$0.015 [2016 – A$0.026], for total proceeds of A$556,074 ($536,953) [2016 – A$230,900 ($231,319)], which resulted in a reduction of the Company's interest in Melbana from 4.81% as at September 30, 2017 to 1.67% as at December 31, 2017. As a result, during the three-month period ended December 31, 2017, the Company recognized a gain on disposal of shares of Melbana of A$114,673 ($154,763) [2016 – A$140,431 ($154,382)], recorded in other comprehensive (loss) income which was subsequently reclassified to net loss.

The closing share price of Melbana as at December 31, 2017 was A$0.015 and during the three-month period then ended the increase in fair value of the Company's investment amounted to A$210,713 ($150,445) [2016 – decrease of A$1,910,738 ($1.895,505)].

During the period January 1, 2018 to March 1, 2018, the Company divested of 3,000,000 shares in Melbana at an average price of A$0.19 for total proceeds of A$56,304 ($56,113) which resulted in a reduction of the Company's interest in Melbana from 1.67% on December 31, 2017 to 1.49% as at March 1, 2018.

Petro Australis

Prior to September 30, 2017, the Company had sought interest for the sale of its 12.1% interest in Petro Australis Limited, and as at year end, had received a non-binding offer of AUD$50,000, which was subsequently accepted and completed in December 2017. As at September 30, 2017, the Company had impaired the fair value of its investment in Petro Australis to AUD$50,000. Accordingly, in the three months ended December 31, 2017, there was no earnings impact on the divestment of the Company's interest in Petro Australis.

InCloud9 Group

In the year ended September 30, 2017, the Company impaired in full its 40% interest in the InCloud9 Group, the bespoke Cuban centric travel business, and wrote off all loans provided by the Company to the InCloud9 Group. On November 28, 2017, the Company finalized an agreement with the founder of the InCloud9 Group to assign the Company's 40% interest for no consideration and to write-off in full the working capital loans.

Rushmans Joint Venture

On September 26, 2017, the Company terminated the 50:50 Joint Venture with Rushmans for Cuban Sport. For the year ended September 30, 2017, the Company impaired in full its investment and loans to the Rushmans Joint Venture. On November 14, 2017, the Company executed an agreement with

Rushmans confirming the termination of the Rushmans JV and the write-off of the working capital loan provided by the Company to the Rushmans JV.

Cuba Mountain Coffee

In the year ended September 30, 2017, the Company impaired in full its 10.14% interest in The Cuba Mountain Coffee Company Limited ("Cuba Mountain"). On October 2, 2017 the Company was advised that Cuba Mountain was insolvent and that the directors of Cuba Mountain had resolved to appoint a liquidator.

Outlook

Pursuant to its growth strategy, the Company is increasing its investment footprint in the fast growing and globally expanding legalized medicinal cannabis sector, with the exception of investments in businesses operating in the United States. To date, the Company has entered into agreements for investments in private cannabis operations in Canada, Australia, Europe, Jamaica and South Africa.

The Company looks forward to updating shareholders on its significant investment in partnership with AAA Trichomes to build one of the largest legal cannabis operations in Quebec; its significant and growing investment in Australian medical cannabis company Little Green Pharma; its proposed partnership with Global Canna Labs in Jamaica; its very exciting global strategic alliance with Swiss-based Creso Pharma; and to closing a substantial cannabis deal in southern Africa with AfriAg, its 50/50 partner for that region.

Subsequent Event Financing & Investing Activities

Capital Raising

On February 16, 2018, the Company announced the completion of a bought-deal private placement, including a partial exercise of the underwriter's option, by issuing 18,515,000 units at a price of $0.435 per unit for gross proceeds to the Company of $8,054,025. The units were sold to “accredited investors” in Canada and internationally through Cormark Securities Inc. (“Cormark Securities”) as underwriter. Each of the units is comprised of one common share and one common share purchase warrant. Each full warrant entitles its holder to subscribe for one additional common share of the Company at an exercise price of $0.49 for 36 months from the closing date. In the event that the volume weighted average trading price of the Company’s shares on the TSX Venture Exchange for a period of 20 consecutive trading days commencing four months from the closing date is at least $0.65, the Company will be entitled to send a notice to the holders of the warrants accelerating the expiry date of the warrants to a date not less than 30 trading days after the date of such notice.

At closing, the Company paid a cash commission to Cormark Securities, as underwriter, in an amount equal to 6% of the gross proceeds from the private placement. In addition, the Company issued 1,110,900 “broker warrants” to Cormark Securities, representing 6% of the number of units issued and sold in the private placement. Each of the “broker warrants” entitles its holder to purchase one additional unit at the offering price of $0.435 for a period of three years from the closing date of the private placement.

The securities issued at the closing are subject to a “hold period” which expires on June 17, 2018.

In connection with the private placement, each of the Company’s six directors and officers entered into a Lock-up Agreement with Cormark Securities under which they agreed not to sell any common shares of the Company or any securities convertible or exchangeable into common shares of the Company for a period of 120 days from the closing date of the private placement without the prior consent of Cormark Securities, subject to limited exceptions.

The Company also announced that it had loaned an aggregate of $210,328 to three of the Company’s directors and/or officers in order to fund the exercise by them of stock options in the Company and an additional $442,853 to fund the payment by them of related taxes. The loans, which do not bear interest, must be repaid within two years and are subject to approval by the TSX Venture Exchange.

Investment Agreement for US$2,340,000 loan

On February 8, 2018, the Company announced that it had completed a transaction with international investors YA II PN, Ltd and Cuart Investments PCC Limited pursuant to which they loaned an aggregate amount of US$2,340,000 (approximately $2,940,000) to the Company.

The loan has a term of twelve months and bears interest at an annual rate of 9.5%, payable quarterly in arrears. The principal amount of the loan is convertible into common shares of the Company at the option of the lenders at a price per share equal to the lesser of (i) US $0.538 ($0.675), representing the US dollar equivalent of 135% of the closing price of the Company's shares on the TSX Venture Exchange on December 29, 2017 ($0.50), and (ii) 90% of the lowest daily volume weighted average trading price of the Company's shares during the five trading days immediately preceding the date of a conversion notice from the lenders, subject to a minimum conversion price of $0.50.

At closing, the Company issued an aggregate of 1,643,764 common share purchase warrants to the two lenders, representing an amount equal to 25% of the dollar amount of the loan divided by $0.4465, being the volume weighted average trading price of the Company's shares during the five trading days ended December 29, 2017. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.70, representing 140% of the Company's closing price on December 29, 2017, for a period of one year from the date of issuance.

In connection with the Investment Agreement, the Company paid a cash due diligence fee to RiverFort Global Capital Ltd. ("RiverFort") of London, England. At closing, the Company also paid a structuring fee to RiverFort by issuing 376,162 shares to it, representing an amount equal to 12.5% of the dollar amount of the loan from YA II PN, Ltd, less the amount of the due diligence fee, divided by $0.675, representing 135% of the closing price of the Company's shares on the TSX Venture Exchange on December 29, 2017 ($0.50).

The securities issued at the closing are subject to a "hold period" which expires on June 9, 2018.

Global Canna Labs (Jamaica)

On January 26, 2017, the Company announced that it had entered into a Letter of Intent ("LOI") with Jamaican cannabis company Global Canna Labs Limited ("Global Canna Labs") and one of its major shareholders, for a strategic investment in the Jamaican cannabis market as part of LGC Capital's ongoing international expansion.

The transaction is comprised of two parts:

- LGC Capital will, by way of a secured convertible debenture (the "Debenture"), invest $2,500,000 which will be disbursed in tranches in accordance with the achievement of milestones in Global Canna Labs' business plan; and

- LGC Capital will purchase a 5% royalty ("Royalty") on Global Canna Labs' net sales for $2,000,000, payable in shares of LGC.

The LOI provides that LGC Capital will carry out an accelerated due diligence review, to be completed by February 15, 2018, and that upon successful completion of due diligence, the parties will enter into definitive agreements by February 25, 2018.

The Debenture will have a four-year term, carry interest at an annual rate of 7%, and be secured by the assets of Global Canna Labs. The Debenture will be convertible into common shares of Global Canna Labs and a to-be-formed Canadian affiliate so as to comply with Jamaican foreign ownership rules, corresponding to a 30% ownership interest in Global Canna Labs. The Debenture will be converted immediately prior to any liquidity event.

The Royalty will also be secured by the assets of Global Canna Labs, which will have the right to repurchase the Royalty for $6,000,000.

Closing of the transaction with Global Canna Labs is also subject to the parties entering into definitive agreements and to standard closing conditions. The transaction is subject to regulatory approval, including that of the TSX Venture Exchange.

Initiative to Establish Global Cannabis Blockchain Platform (Cannabis Tech)

On January 16, 2018, the Company announced its intention to launch a new subsidiary company to specifically engage in the development of an efficient global marketplace technology platform designed to help producers, value-added processors and retailers in selling, and consumers in accessing, cannabis product. The Company will focus on providing a traceable and verifiable platform, thereby enabling producers to have an efficient payment mechanism that replaces current *ad hoc* cash-based payments and that will be fully compliant with all relevant jurisdictional regulations. The platform will utilize the latest blockchain technologies to create a reliable and verifiable purchase and payment system and use Internet of Things (IOT) technologies to track cannabis product shipments so as to provide assurance to consumers regarding the sourcing and quality of products.

Other Subsequent Events

Agreement with OCI Inc. for Strategic Advice

On January 26, 2018, the Company announced confirmation that it entered into an agreement with OCI Inc. of Toronto, Ontario in June 2017 whereby OCI provides advice to the Company on strategic alternatives and assists the Company in the execution of its strategic plan for certain international markets.

The agreement provides for partial payment by the Company of OCI's monthly advisory fee in shares. In that regard, for the five months from July to November 2017, inclusively, the Company will pay an aggregate amount of $40,000 to OCI through an issuance of 94,339 shares at a deemed issue price of $0.424 per share, representing the closing price of the Company's shares on the TSX Venture Exchange on January 26, 2018 ($0.53), less a 20% discount permitted by the TSX Venture Exchange. For December 2017, the Company will issue 21,333 shares in payment of $8,000 of OCI's monthly fee at a deemed price of $0.375 per share, representing the closing price of the Company's shares on the last trading day of December ($0.50) less a 25% discount. For January 2018 and future months, the Company will issue shares in payment of $8,000 of OCI's monthly fee at a deemed price equal to the last closing price of the Company's shares for the month on the TSX Venture Exchange, less the applicable maximum discount permitted by the TSX Venture Exchange. In compliance with the policies of the TSX Venture Exchange, the Company will issue a press release announcing each share issuance to OCI.

Cuba Professionals Inc.

In March 2016, the Company acquired a 49% interest in Cuba Professionals Inc. ("CP"), a private company incorporated in Panama. CP provided human resources and consulting services in Cuba. On

December 17, 2016, Leni Gas Cuba terminated its agreement with CP. Further, on January 21, 2018, the Company executed a settlement agreement with CP pursuant to which the Company transferred its shares in CP for nil consideration.

Amendments to 2016 Stock Option Plan

On February 21, 2018, the Company announced the amendment to its 2016 Stock Option Plan so as to increase the number of shares that can be issued thereunder to 71,230,957 shares, equal to 20% of the 356,154,788 common shares issued and outstanding in the Company following the recent completion by the Company of its $8 million bought-deal private placement. The increase represents 12,294,231 additional common shares. The amendment to the 2016 Stock Option Plan is subject to approval of the TSX Venture Exchange and to shareholder approval, which the Company intends to seek at its next annual meeting.

Exercise of stock options

During the period from January 1, 2018 to March 1, 2018, the Company issued a total of 12,768,779 common shares upon the exercise of stock options at an average exercise price of $0.07 per share raising total proceeds of $945,983.46.

Exercise of warrants

During the period from January 1, 2018 to March 1, 2018, the Company issued a total of 21,961,215 common shares upon the exercise of warrants at an average exercise price of $0.15 per share raising total proceeds of $3,282,782.

Financial Information

Selected Financial Information

The following table summarizes selected financial information of LGC Capital for the three months ended December 31, 2017 and 2016.

	As at December 31, 2017 $	**As at December 31, 2016 $**
Net loss	(4,472,535)	(515,615)
Basic and diluted net loss per share	(0.02)	(0.00)
Total assets	6,409,165	5,688,259

Three months ended December 31, 2017 compared with the three months ended December 31, 2016

LGC Capital reported a net loss of $4,472,535 or $0.02 per common share for the three months ended December 31, 2017 compared to a net loss of $515,615 or $0.00 per common share for the three months ended December 31, 2016. The increase in the loss in 2017 was driven primarily by stock-based compensation expense of $3,871,335.

Administrative expenses

Administrative expenses increased in the three months ended December 31, 2017 to $4,599,893 compared to $655,845 in the three months ended December 31, 2016, due primarily to a stock-based compensation charge of $3,871,335 (2016 - $45,334) in respect of the issue of options.

	3 months ended December 31, 2017 $	3 months ended December 31, 2016 $
Administrative expenses:		
Salaries and other employee benefits	**36,822**	19,079
Directors' fees and consultancy	**142,908**	146,367
Legal fees	**158,696**	38,138
Regulatory expenses	**136,916**	63,499
Consultancy fees	—	224,264
Travel and business development	**21,000**	28,864
Investor / public relations	**38,450**	8,696
Office expenses	**61,737**	52,460
Professional fees	**4,176**	15,950
Stock-based compensation	**3,871,335**	45,334
House of Hemp	**70,707**	—
AAA Trichomes option expense	**50,000**	—
Other administration	**7,146**	13,194
Total	**4,599,893**	**655,845**

Excluding the the stock-based compensation charge, the administrative expenses for the three months ended December 31, 2017 was $728,558 compared to $610,511 for the three months ended December 31, 2016. The increase in legal fees and regulatory expenses reflect the significant fund raisings and investment activities during the December 2017 quarter compared to 2016. The reduction of consulting fees reflects the exit from Cuba related investment activity. During the three months ended December 31, 2017, the Company made a charge of $70,707 in respect of Company's exclusive option to acquire, along with its joint venture partner, a 60% interest in South Africa's House of Hemp, and a charge of $50,000 in respect of the AAA Trichomes option.

Realized gain on available for sale investments

As a result of the divestment of shares in Melbana discussed above, during the three months ended December 31, 2017, the Company recognized a gain on disposal of shares of Melbana of AUD$114,673 ($154,763) [2016 – A$140,431 ($154,382)], recorded initially in other comprehensive (loss) income and subsequently reclassified to net loss.

Share of losses in associates and joint ventures

On September 22, 2017, the Board of Directors decided to exit all of the Company's investments with interests in Cuba. As at September 30, 2017, the Company has written down to zero its exposure to all of its investments in associates and joint ventures, with activities related to Cuba. For the three months ended December 31, 2017, the Company had no contribution from associates (2016 – profit of $280) and no contribution from joint ventures (2016 – loss of $16,446).

Other comprehensive (loss) income

During the three months ended December 31, 2017, the Company incurred other comprehensive income totalling $172,274 (2016 – loss of $2,128,444) comprising an increase in the value of available for sale investments of $305,208 (2016 – decrease of $1,741,123), the reclassification to net loss of the realized gain on available for sale investments of $154,763 (2016 – 154,382), and a foreign exchange gain on translation of foreign subsidiaries of $21,829 (2016 – loss of $232,939).

Summary of Quarterly Results

The following table presents unaudited selected financial information for the eight most recent quarters since incorporation:

Fiscal Quarter ended	Total Revenue $	Net loss for the period $	Basic and diluted loss per share $	Total assets $
December 31, 2017	-	(4,472,535)	(0.02)	6,409,165
September 30, 2017	-	(3,480,441)	(0.01)	2,747,280
June 30, 2017	-	(444,365)	(0.00)	5,422,433
March 31, 2017	-	(607,134)	(0.00)	6,462,141
December 31, 2016	-	(515,615)	(0.00)	5,688,259
September 30, 2016	-	(3,405,895)	(0.01)	8,054,540
June 30, 2016	-	(1,164,669)	(0.01)	5,744,588
March 31, 2016	-	(748,275)	(0.01)	6,589,634

The Company did not pay any dividends during the three months ended December 31, 217. Any future decision to pay cash dividends will be left to the discretion of the Board of Directors of the Company and will depend on the Company's financial position, operating results and capital requirements at the time as well as such other factors that the Board of Directors may consider relevant.

Cash Flows

Cash flows for the three months ended December 31, 2017 compared with the three months ended December 31, 2016

	3 months ended December 31, 2017 $	3 months ended December 31, 2017 $
Cash flows from operating activities	(950,652)	(482,614)
Cash flows from investing activities	(893,171)	213,129
Cash flows from financing activities	3,290,634	-
(Decrease)/Increase in cash	1,446,811	(269,485)
Net foreign exchange differences	7,442	10,003
Cash, beginning of period	2,018,570	486,137
Cash, end of period	3,472,823	206,649

Cash at the beginning of the three months ended December 31, 2017 was $2,018,570 and the Company had a cash position of $3,472,823 at the end of the quarter. This increase is due primarily to the Company raising $3,730,773 before expenses through a share placement in December 2017.

As at December 31, 2016, the Company had cash of $206,649 compared to $486,137 as at September 30, 2016. The decrease in cash of $269,485 during the three months ended December 31, 2016 reflects the operating cash outflows of $482,614 offset by cash inflows from disposal of available for sale investments of $213,129.

There has been no change with respect to the overall capital risk management strategy during the three months ended December 31, 2017.

Liquidity and Capital Resources

Liquidity risk comes from the Company's general funding needs and in the management of its assets and liabilities. The Company manages liquidity risk to keep sufficient liquid financial resources to fund its balance sheet and meet its commitments and obligations in the most cost-effective way. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond its control. The Company's main sources of funding are equity and debt markets, private placements and outstanding stock options. The Company has no outstanding debt facility upon which to draw.

Management of Liquidity

Managing liquidity requires constant monitoring of projected cash inflows and outflows using forecasts of the Company's financial position for purposes of ensuring adequate and efficient use of cash resources. The adequate liquidity level is established based on historical volatility and seasonal requirements as well as on planned investments.

As December 31, 2017, the Company did not have any commitments for capital expenditures.

Related Party Transactions

During the three months ended December 31, 2017 and 2016, the Company recorded the following compensation for key management personnel and the Board of Directors:

	3 months ended December 31, 2017 $	**3 months ended December 31, 2017 $**
Directors' fees	73,900	59,763
Stock-based compensation	2,352,958	—
Total	2,426,858	59,763

In addition to the related party transactions disclosed elsewhere, the Company entered into the following related party transactions in the normal course of operations.

[a] On November 28, 2017, the Company finalized an agreement with the founder of the InCloud9 Group to to assign the Company's 40% interest for no consideration and to write-off in full the working capital loans provided by the Company to InCloud9 Group. During the three month period ended December 31, 2017, the Company did not purchase any travel services from its former associate InCloud9 [December 31, 2016 – $10,449]. During the three month period ended December 31, 2017, the Company made no working capital loans to its former associate InCloud9 [December 31, 2016 - $59,932].

[b] On September 29, 2017, the Company executed an agreement with Groombridge Trading Corporation ("GTC") confirming the termination of the 50:50 unincorporated joint venture with GTC ("the GTC JV") and the write-off of the working capital loan provided by the Company to the GTC JV. During the three-month period ended December 31, 2016, the Company made working capital loans to the former GTC JV of $12,423.

[c] On November 14, 2017, the Company executed an agreement with Rushmans Ltd confirming the termination of the 50:50 unincorporated joint venture with Rushmans ("Rushmans JV") and the write-off of the working capital loan provided by the Company to the Rushmans JV. During the three-month period ended December 31, 2016, the Company made no working capital loans to the former Rushmans JV [December 2016 – $29,011].

[d] During the three-month period ended December 31, 2017, the Company incurred fees to a number of management entities of which certain officers or directors of the Company are a related party. For the three-month period ended December 31, 2017, the total amount for such services was $93,008, which was recorded in directors fees [December 31, 2016 – $86,604]. As at December 31, 2017, an amount of $Nil [September 30, 2017 – $34,010] owing to these firms was included in accounts payable and accrued liabilities in respect of these fees.

Capitalization

As at December 31, 2017, there were 297,533,632 common shares of LGC Capital issued and outstanding. In addition, there were stock options in respect of 46,388,179 common shares issued and outstanding, of which 41,388,179 were exercisable as at December 31, 2017. There were also warrants in respect of 56,240,650 common shares issued and outstanding as at December 31, 2017.

As at March 1, 2018, there were 356,295,266 common shares of LGC Capital issued and outstanding. In addition, there were stock options in respect of 33,619,400 common shares issued and outstanding, of which 28,619,400 were exercisable as at March 1, 2018. There were also warrants in respect of 34,279,435 common shares issued and outstanding as at March 1, 2018.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Judgments and Estimates

As detailed in note 2 of the consolidated financial statements, management has identified critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Changes in Significant Accounting Policies

The Company's significant accounting policies are disclosed under note 3 to the consolidated financial statements for the year ended September 30, 2017.

The pronouncements issued but not yet effective for the year ended September 30, 2017 are disclosed under note 4 to the consolidated financial statements for the year ended September 30, 2017.

Risk Factors and Risk Management

Reference is made to the section entitled "Risk Factors and Risk Management" of LGC Capital's Management's Discussion and Analysis for the fiscal year ended September 30, 2017 for a discussion of the risk factors applicable to the Company and its business. The Management's Discussion and Analysis of LGC Capital for the fiscal year ended September 30, 2017 is available under LGC Capital's profile on SEDAR at www.sedar.com.

Additional Information

Additional information relating to the Company, including the most recent Company filings, is available under the Company's profile on on SEDAR at www.sedar.com.