First Quarter 2020

Management's Discussion and Analysis
For the Periods ended May 31, 2019 and May 31, 2018

Ventura Cannabis & Wellness Corp.
(Formerly BLVD Centers Corp.)

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Ventura Cannabis & Wellness Corp. ("Ventura", "VCAN or the "Company"), prepared as of July 30, 2019, should be read in conjunction with the consolidated financial statements for the three months ended May 31, 2019 and May 31, 2018, including the notes therein. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise specified, all financial data is presented in Canadian dollars. The words "we", "our", "us", "Company", and "Ventura" refer to Ventura Cannabis & Wellness Corp. and/or the management and employees of the Company.

Additional information relevant to the Company is available for review on SEDAR at www.sedar.com.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Information included or incorporated by reference in this report may contain forward-looking statements. This information may involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "plan," "intend" or "project" or the negative of these words or other variations on these words or comparable terminology. Readers are cautioned regarding statements discussing profitability; growth strategies; anticipated trends in our industry; our future financing plans; and our anticipated needs for working capital. Actual events or results may differ materially from those discussed in forward-looking statements. There can be no assurance that the forward-looking statements contained in this report will in fact occur. The Company bases its forward-looking statements on information currently available to it, and assumes no obligation to update them.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS MD&A PRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS MD&A AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, THE COMPANY DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED BY APPLICABLE SECURITIES LEGISLATION.

(Expressed in Canadian dollars in thousands)

SELECTED FINANCIAL INFORMATION

('000 CAD) Category	Three Months Ended May 31, 2019	Three Months Ended May 31, 2018
Total Assets	$22,589	$20,916
Total Non-current financial liabilities	$7,082	$3,974
Revenue	$4,417	$7,628
Gross Profit	$1,023	$1,672
Net Loss	($819)	($770)
Net Loss per share	($0.02)	($0.02)

*Prepared using post 1:7.34 share consolidation share counts.

ABOUT OUR BUSINESS

Ventura business summary

Ventura Cannabis & Wellness Corp. is a vertically integrated, California-based cannabis product company. The Company is currently building out its distribution channel through acquiring cannabis dispensaries to ensure its products get premium shelf space. The Company plans to target four significant segments in the U.S. cannabis and CBD market with products suited to their needs: senior citizens, upwardly mobile middle-aged female professionals, upwardly mobile middle-aged male professionals and individuals suffering from addiction. These segments desire discrete and well-designed products as well as accurate dosing. The Company officially launched into the cannabis industry after a shareholder vote in April 2019, overwhelmingly approving the change in business from addiction treatment to cannabis.

Key performance drivers

It is management's belief that the biggest opportunity in cannabis will be in the development of branded products due to the higher margins and superior scalability compared to other verticals in the industry. Therefore the key indicator of success is the development of uniquely branded products and the key driver of profitability will be distribution reach and volume, which is why the Company is acquiring dispensaries and delivery services.

Future outlook

In Q1 FY 2020 Ventura received authorization from its shareholders to enter the cannabis space. In the same quarter VCAN also closed the acquisition of its first cannabis business. Additionally, the current binding purchase agreements has VCAN primed to become an integrated product company. With the current business plan developed by Management and the Board and the early stage execution of that plan, VCAN has paved a clear and effective path to profitability and success.

OPERATING RESULTS

Accounting policies and estimates

The consolidated financial statements for the period ended May 31, 2019 are prepared under International Financial Reporting Standards ("IFRS") issued by the governing body of the International Accounting Standards Board ("IASB'). The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions. These estimates and assumptions affect; the reported amounts of assets and liabilities, disclosers of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of consolidated financial statements. The Company's critical accounting estimates are described under Accounting and Disclosure Matters below.

(Expressed in Canadian dollars in thousands)

Non-IFRS measures

Throughout this MD&A, references are made to a number of measures which are believed to be meaningful in the assessment of the Company's performance. All of these metrics are non-standard measures under IFRS and may not be identical to similarly titled measures reported by other companies. Also, in the future, we may disclose different non-IFRS financial measures in order to help our investors more meaningfully evaluate and compare our future results of operations to our previously reported results of operations. Readers are cautioned that the disclosure of these items is meant to add to, and not replace, the discussion of financial results as determined in accordance with IFRS. The primary purpose of these non-IFRS measures is to provide supplemental information that may prove useful to investors who wish to consider the impact of certain non-cash or uncontrollable items on the Company's operating performance and who wish to separate revenues and related costs associated with start-up activities that may not be ongoing.

Consolidated operating results

Revenue

For the three months ended May 31, 2019 and May 31, 2018, addiction treatment revenue totaled $4,324 and $7,628, respectively, representing a 43% decrease rate. Management attributes the negative growth in addiction revenue to the disposition of certain assets in the business unit in exchange for cash.

For the three months ended May 31, 2019 management is pleased to report $92 in cannabis revenues. As these revenues do not represent a full quarter of cannabis revenues from the Amberlight acquisition, management anticipates significant growth in the coming quarter.

('000 CAD) Consolidated statement of operations	**Three Months Ended May 31, 2019**	**Three Months Ended May 31, 2018**
Revenue	**$4,417**	**$7,628**
Cost of services	3,394	5,956
Gross margin	**$1,023**	**$1,672**
Gross margin	*23%*	*22%*
Facilities	($109)	$183
Sales and marketing	23	-
Bad debt expense	-	355
New facility start-up costs and nonrecurring cost	-	5
General and administrative	890	614
Billing and other outside services	323	794
Depreciation and amortization	368	192
Interest expense/(income)	157	115
Amortization of non-cash prepaid real estate option fee	123	123
Net loss before other items and stock based compensation	**($753)**	**($709)**
Stock based compensation	66	61
Realized foreign exchange	-	-
Net income/(loss)	**($819)**	**($770)**
Basic and diluted loss per share	**($0.02)**	**($0.02)**

Cost of revenue and gross margin

For the three months ended May 31, 2019 and May 31, 2018, cost of revenue was $3,394 and $5,956, respectively, and gross profit was 23% and 22%, respectively.

Facilities

Facilities expense includes all expenses related to renting and maintaining our physical corporate and operating locations, but excludes facility costs related to new operating facilities which have yet to be opened.

For the three months ended May 31, 2019 and May 31, 2018, facilities expense totaled -$109 and $183, respectively. Management believes the significant decrease in facilities expense is a result of the implementation of IFRS 16.

Sales and marketing

Sales and marketing costs are comprised primarily of salaries, commissions and related expenses for sales personal and other expenses incurred to acquire new clients and get them enrolled in our service, salaries and related expenses for marketing personal, and costs related to advertising.

For the three months ended May 31, 2019 and May 31, 2018, sales and marketing expenses totaled $23 and $nil, respectively. Management attributes the continued low costs to having shifted marketing expenses responsibilities to the managing partner of the specific location.

General and Administrative

General and administrative expenses are comprised primarily of salaries and related expenses for finance, IT, accounting, management, and human resource personnel. In addition, there are new facility start-up costs, professional and legal services and other general overhead.

For the three months ended May 31, 2019 and May 31, 2018, general and administrative expenses were $890 and $614 respectively. Management believes the increase in cost is the result of increased acquisition activity in the cannabis industry.

Stock based compensation

Stock based compensation represents the amortization of the fair value of options and warrants issued to the Company's directors, officers, employees, vendors and consultants for services rendered. For the three months ended May 31, 2019 and May 31, 2018, stock-based compensation costs were $66 and $61, respectively.

Net Income/Loss

For the three months ended May 31, 2019 and May 31, 2018, the Company incurred a net income/(loss) of ($819) and ($770), respectively.

(Expressed in Canadian dollars in thousands)

Consolidated Statements of Financial Position

('000 CAD) **Category**	**May 31, 2019**	**May 31, 2018**
Cash	$3,566	$5,036
Restricted cash	-	-
Accounts receivable	6,637	7,038
Prepaid expenses	936	1,133
Other current assets	731	222
Property and equipment	6,768	6,847
Prepaid Finance fee	287	411
Deposits and other non-current assets	244	228
Right-of-use assets	2,651	-
Intangible assets	769	-
Total assets	**$22,589**	**$20,916**
Accounts Payable and other current liabilities	$6,574	$7,557
Lease obligatiions	2,998	-
Long-term debt	4,110	4,001
Total liabilities	**$13,682**	**$11,558**
Share capital and contributed surplus	$44,342	$43,936
Deficit	(41,997)	(41,178)
Accumulated other comprehensive gain	6,562	6,600
Shareholders' equity	**$8,907**	**$9,358**

Liquidity

As of May 31, 2019, the Company had cash and restricted cash on hand of $3,566. Management considers liquid assets to consist of cash and cash equivalents, restricted cash, accounts receivable, inventory, prepaid expenses and other current assets. According to this definition, the company's liquid assets equal the current assets totaling $11,869. While working capital is traditionally used as a measure of a company's liquidity, management believes that a more accurate view of the Company's liquidity is liquid assets less current liabilities. The Company's liquid assets less current liabilities equal $5,270. The Company has sufficient cash on hand to continue to support its expansion plans and meet its contractual obligations. In addition, the Company has access to public markets and can access debt facilities to supplement its cash needs.

Contractual obligations

	May 31, 2019	**May 31, 2018**
Finance lease and other borrowings (a)	$4,110	$4,038
Less:		
Current portion of finance lease and other borrowings	(25)	(115)
Long-term portion of finance lease and other borrowings	**$4,085**	**$3,922**

Operating Leases

The Company leases certain facilities under the terms of non-cancelable operating leases. For the three months ended May 31, 2019 amounts included in facilities expense totaled -$109 as a result of the implementation of IFRS 16.

(Expressed in Canadian dollars in thousands)

Capital leases

The company has capital lease obligations related to vehicles and laboratory equipment with terms of two to three years and fixed interest rates between 2.9% and 7.0%.

Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital, contributed surplus, deficit and accumulated other comprehensive income and deficit, which totaled $8,907 at May 31, 2019, as well as long-term debt, which totaled $4,085 at May 31, 2019.

The Company believes it has sufficient capital on hand for its current growth plans. Current cash reserves and robust cash generation from the historic business give management flexibility on how it deploys capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash and short-term guarantee deposits, held with major Canadian and US financial institutions.

Financing

During the three-month period ending May 31, 2019, all broker warrants had expired. The outstanding and exercisable balance at May 31, 2019 was zero.

Share Capital

As of the date of this report 35,676,514 shares are outstanding as a result of our 7.34:1 reverse share split effected on March 1, 2019.

	May 31, 2019	**May 31, 2018**
Authorized		
Unlimited voting common shares without par value		
Issued		
35,676,514 voting common shares (2018 - 31,691,721)	**$44,342**	**$40,724**
Changes to share capital:		
	Number of Shares	**Amount**
As of February 28, 2018	**31,691,721**	**40,724**
Shares issued for services	3,167,355	3,212
As of February 28, 2019	**34,859,076**	**43,936**
Shares issued	817,438	406
As of May 31, 2019	**35,676,514**	**44,342**

Off Balance Sheet Arrangements

The Company has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations or financial condition.

(Expressed in Canadian dollars in thousands)

Summary of Quarterly Results

The Company's revenues, net income/loss and net income/loss per share for each of the eight most recently completed quarters is as follows:

('000 CAD) **Category**	**Three Months Ended August 31, 2017**	**Three Months Ended November 30, 2017**	**Three Months Ended February 28, 2018**	**Three Months Ended May 31, 2018**
Bad Debt	$1,735	$1,900	($3,252)	$355
Revenue	$9,045	$9,819	$3,304	$7,628
Revenue after Bad Debt	**$7,310**	**$7,919**	**$6,556**	**$7,273**
Net Income (loss)	($76)	($598)	($2,561)	($770)
Net Income (loss) per share	($0.00)	($0.02)	($0.08)	($0.02)

('000 CAD) **Category**	**Three Months Ended August 31, 2018**	**Three Months Ended November 30, 2018**	**Three Months Ended February 28, 2019**	**Three Months Ended May 31, 2019**
Bad Debt	$288	$346	($667)	$0
Revenue	$6,239	$7,279	$11,192	$4,417
Revenue after Bad Debt	**$5,951**	**$6,933**	**$11,859**	**$4,417**
Net Income (loss)	($37)	($498)	($2,586)	($819)
Net Income (loss) per share	($0.00)	($0.02)	($0.07)	($0.02)

*Prepared using share count as at March 1, 2019 after the 7.34:1 reverse split

The Company's revenues primarily consisted of service charges related to providing addiction treatment and related services to clients in both inpatient and outpatient settings. Most of the Company's revenues are reimbursable by commercial payors, at out-of-network rates, with the remaining revenues payable directly by the Company's clients. The Company billed commercial payors, once insurance has been verified and services have been performed, based on usual and customary rates for each service. These billed rates were discounted to expected reimbursement rates (or net realizable value) as determined by management after taking into account the historical collections received from the commercial payors services to arrive at the revenues that are recognized. During 2019, Management adjusted the accounting practice for estimating collectible revenues and, in compliance with new IFRS requirements, began reporting revenue as net of Bad Debt as opposed to gross.

ACCOUNTING AND DISCLOSURE MATTERS

Financial Reporting Controls

The Company is not required to certify the design and evaluation of its disclosure controls and procedures and internal controls over financial reporting and has not completed such an evaluation.

There were no substantive changes in the Company's disclosure controls and procedures and internal controls over financial reporting during the period ended May 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's disclosure controls and procedures and internal controls over financial reporting.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the consolidated financial statements. We constantly evaluate these estimates and assumptions.

We base our estimates and assumptions on past experience and other factors that are deemed reasonable under the circumstances. This involves varying degrees of judgment and uncertainty, thus the amounts currently reported in the consolidated financial statements could prove to be inaccurate in the future.

We consider the estimates and assumptions described in this section to be an important part in understanding the consolidated financial statements. These estimates and assumptions are subject to change, as they rely heavily on management's judgment and are based on factors that are inherently uncertain.

Recognition of revenues

The Company's revenues primarily consisted of service charges related to providing addiction treatment and related services to clients in both inpatient and outpatient settings. Most of the Company's revenues are reimbursable by commercial payors, at out-of-network rates, with the remaining revenues payable directly by the Company's clients. The Company billed commercial payors, once insurance has been verified and services have been performed, based on usual and customary rates for each service. These billed rates were discounted to expected reimbursement rates (or net realizable value) as determined by management after taking into account the historical collections received from the commercial payors services to arrive at the revenues that are recognized. During 2019, Management adjusted the accounting practice for estimating collectible revenues and, in compliance with new IFRS requirements, began reporting revenue as net of Bad Debt as opposed to gross.

Valuation of accounts receivable

The Company now reports revenue as net of Bad Debt as opposed to gross. This change was effected as a result of new IFRS guidelines. Instead the Company has adopted a policy of reporting gross revenue as our initial revenue estimate less any projected bad debt expense. In calculating gross revenue, management incorporates paid and denied claims. Denials can be as a result of termed policies, client deductibles not met, client maximum benefits limit met, etc. In addition, management reviews account receivable in detail at each reporting period and provides for specific accounts that are deemed to not be collectible. Because of continuing changes in the health care industry and third-party reimbursement, it is possible that the Company's estimates could change, which could have a material impact on our operations and cash flows. If circumstances related to certain customers change or actual results differ from expectations, the Company's estimate of the recoverability of receivables could fluctuate from that provided for in the consolidated financial statements. A change in estimate could impact expenses and accounts receivable.

Stock based Compensation

The Company uses the Black-Scholes option pricing model to determine the fair value of the Company's issued stock options and warrants as prescribed by IFRS 2. The Black-Scholes option pricing model requires management to make various estimates about certain inputs into the model, including the expected option life, expected volatility, risk-free interest rate and expected dividend yield. The company uses the following methodologies to estimate each of these inputs:

Black-Scholes Input	**Assumption**	**Methodology**
Expected option/warrant life	5 years/2 years	The life of the option or warrant is used
Expected volatility	128.00%	The trading volatility of similar companies as well as its own trading volatility for the previous 52 week period
Risk-free interest rate	1.82%	The Canadian Treasury rate on government bonds with similar duration
Dividend yield	Nil	The Company's expected dividend yield over the life of the underlying instrument

A change in any of these estimates at the time the underlying options or warrants were issued would have impacted the Company's equity and ongoing stock-based compensation expense.

Changes in accounting policies including initial adoption

During the period ended May 31, 2019, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. This included IFRS 16. These new standards and changes resulted in significant changes to accounting policy and presentation.

(Expressed in Canadian dollars in thousands)

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, which replaced the previous guidance on leases, IAS 17, Leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in deficit at January 1, 2019. Accordingly the comparative information presented for previous period have not been restated.

The Company has elected to apply the practical expedient to account for leases for which the leas term ends within 12 months of the date of initial application as short-term leases. The Company's borrowing rates used for IFRS 16 purposes ranged from 8.60% to 8.76% defined based on the asset classes related risks.

The following table summarizes the impacts of adopting IFRS 16 on the Company's condensed interim consolidated financial statements as at March 1, 2019, the date of the initial applications.

	March 1, 2019
Assets	
Right-of-use assets	$2,888
Liabilities	
Lease liability	$3,225
Shareholder's equity	
Deficit	($337)

Related Party Transactions

There were no related party transactions to report in the three months ended May 31, 2019.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instrument risk exposure

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support the Company's ability to continue as a going concern. The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's consolidated balance sheet from events that have the potential to materially impair its financial strength.

Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall business strategy, diversifying risk, pricing appropriately for risk, mitigation through preventative controls, and transferring risk to third parties.

Market risk

Foreign Currency Risk

All the Company's revenues are transacted in U.S. dollars and as a result, fluctuations in the rate of exchange between the U.S. dollar and Canadian dollar can have a significant impact on the Company's cash flows and reported results. As a majority of the Company's operating expenses are also in United States dollars, operational foreign currency risk is limited.

The functional currency for all of the Company's foreign operations is the US dollar which is the local currency. The Company translates the assets and liabilities of its US dollar functional currency subsidiaries into Canadian dollars using exchange rates in effect at the end of each period. Revenue and expenses for these subsidiaries are translated using average exchange rates that approximate those in effect during the period. The Company is affected by the fluctuations in the value of the US dollar. Significant fluctuations of exchange rates could adversely affect the Company's financial condition and results of operations. At the present, the Company maintains cash balances in both US and Canadian dollars but does not purchase any securities or financial instruments to speculate on or hedge against a rise or fall in the value of the US Dollar.

Credit Risk

Credit risk is the potential that clients or a counterparty to a financial instrument fail to meet their obligation to the Company. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of trade accounts receivable as the Company's revenues are concentrated in California. The Company had many customers during the period and believes that there is minimal risk associated with collection of these amounts. The Company manages its credit risk by evaluating the eligibility of its clients for insurance or other coverage prior to admittance.

The Company's customers are generally large, financially stable, commercial insurers and accordingly credit risk associated with each of them is considered low. Credit risk is generally limited to the risk that the estimated amount of revenue that can be collected is not accurate.

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations as they become due. The Company manages its liquidity risk through cash management. In managing liquidity risk, the Company maintains access to equity markets, the availability of which is dependent on market conditions. The Company monitors its requirements through the use of rolling future net cash flow projections and budgets and believes it has sufficient funding through its current cash position to continue operating for the foreseeable future.

RISK FACTORS

Due to the nature of Ventura's business, the legal and economic climate in which Ventura operates and the present stage of development of its business, Ventura may be subject to risks. Ventura's future development and actual operating results may be very different from those expected as at the date of this MD&A. There can be no certainty that Ventura will be able to implement successfully the strategy set out herein. No representation is or can be made as to the future performance of Ventura and there can be no assurance that Ventura will achieve its objectives. In addition to the other information in this MD&A, an investor should carefully consider each of, and the cumulative effect of, the following factors.

An investment in Ventura's shares should be considered speculative due to the nature of Ventura's business. In evaluating Ventura and its business, shareholders should carefully consider the following risk factors. These risk factors are not a definitive list of all risk factors associated with Ventura or in connection with their operations. It is believed that these are the factors that could cause actual results to be different from expected and historical results. You should not rely upon forward-looking statements as a prediction of future results. Additional risks and uncertainties that Ventura is unaware of, or that Ventura currently deems to be immaterial, may also become important factors that affect Ventura. If any of the risks actually occur, the business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of Ventura or Ventura's shares, as applicable, could decline and the shareholder could lose all or part of his or her investment.

Capital Investment

The timing and amount of capital expenditures by Ventura will be dependent upon Ventura's ability to utilize credit facilities, raise new debt, generate cash from operations, meet working capital requirements and sell additional shares in order to accommodate these items. There can be no assurance that sufficient capital will be available on acceptable terms to Ventura for necessary or desirable capital expenditures or that the amount required will be the same as currently estimated. Lack of these funds could limit the future growth of Ventura and its subsidiaries and their respective cash flows.

Dependence upon Partners

Although Ventura is expected to have experienced senior management and personnel, Ventura will be substantially dependent upon the services of a few key personnel for the successful operation of its business. The loss of the services of any of these personnel could have a material adverse effect on the business of Ventura.

Inability to Implement the Business Strategy

The growth and expansion of Ventura's business is heavily dependent upon the successful implementation of Ventura's business strategy. There can be no assurance that Ventura will be successful in the implementation of its business strategy.

Issuance of Debt

From time to time, Ventura may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Ventura's debt levels above industry standards. The level of Ventura's indebtedness from time to time could impair Ventura's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Dilution and Future Issuances of* Ventura *Shares

Ventura may issue additional shares in the future, which may dilute a shareholder's holdings in Ventura.

Future Sales of* Ventura *Shares by Directors and Officers

Subject to compliance with applicable securities laws, directors and officers and their affiliates may sell some or all of their securities in Ventura in the future. No prediction can be made as to the effect, if any, such future sales will have on the market price of Ventura's securities prevailing from time to time. However, the future sale of a substantial number of securities by Ventura's directors and officers and their controlled entities, or the perception that such sales could occur, could adversely affect prevailing market prices for Ventura's securities.

Reimbursement Rates May Decline

Reimbursement for services to be provided by Ventura come primarily from private health insurance companies. The reimbursement rates offered are out-of-network and therefore outside the control of Ventura. Reimbursement rates in the United States, and much of the United States healthcare market in general, have been subject to continual reductions as health insurers and governmental entities attempt to control healthcare costs. The extent and timing of any reduction in reimbursement rates cannot be predicted by Ventura.

Requirement for Permits and Licenses in a Highly Regulated Business

Some operations of Ventura require certain licenses and permits from the authorities in the United States. Licenses and permits may include those issued by both governmental and non-governmental entities. Private insurance companies may require that providers obtain accreditation from non-governmental entities in order to provide service to their patients or may require providers to agree to sign up for in-network agreements, which may have the impact of lowering reimbursement rates. Private insurers may change their practices with limited or no notice to Ventura. The ability of Ventura to obtain, sustain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies. There is no guarantee that Ventura will be able to obtain or maintain such licenses and permits.

Ventura will be subject to regulation from both United States federal and state authorities. Regulatory action could disrupt Ventura's ability to provide services. Such regulatory action could come in the form of actions based upon Ventura's operation. Regulatory action could prevent or delay reimbursement for certain services. There could also be legislative action that could adversely affect Ventura's business model, including a decision by the United States government, to become the exclusive provider of healthcare services at some time in the future amendments to current laws and regulations could have a substantial adverse impact on Ventura. Private insurers also have complex rules relating to reimbursement, and the failure of Ventura to follow those rules may impact the ability to collect on amounts billed and may expose Ventura to the risk of audits on amounts that have already been collected.

Insurance and Uninsured Risks

Ventura's business will be subject to a number of risks and hazards generally, including general liability. Such occurrences could result in damage to facilities, personal injury or death, damage to the properties of Ventura, or the properties of others, monetary losses and possible legal liability.

Although Ventura will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all potential risks associated with its operations. Ventura may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Ventura might also become subject to liability which may not be insured against or which Ventura may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Ventura to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

General Litigation Risk

Disputes are common in the United States healthcare industry and as such, in the normal course of business, Ventura might be involved in various legal actions and proceedings which arise from time to time, some of which may be substantial. There is no assurance that Ventura's insurance arrangements will be sufficient to cover any particular claim or claims that may arise in the future. Furthermore Ventura is subject to the risk of claims and legal actions for various commercial and contractual matters in respect of which insurance is not available.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that Ventura incurs in its operations. The appreciation of non-United States dollar currencies against the United States dollar can increase the cost of operations in United States dollar terms.

Holding Corporation

Ventura is considered a holding corporation and a substantial portion of its assets is the capital stock of its subsidiaries. As a result, the holders of Ventura shares are subject to risks attributable to its subsidiaries. As a holding corporation, Ventura conducts substantially all of its business through its subsidiaries, which generate substantially all of its revenue. Consequently, Ventura's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to Ventura. The ability of the subsidiaries of Ventura to pay dividends and other distributions depend on their operating results and is subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in ten instruments governing their debt. In the event of bankruptcy, liquidation or reorganization of any of Ventura's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Ventura.

Internal Control over Financial Reporting and Disclosure Controls and Procedures

Ventura may face risks if there are deficiencies in its internal controls over financial reporting and disclosure controls and procedures. Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external reporting purposes. Management is responsible for establishing and maintaining adequate internal controls over financial reporting appropriate to the nature and size of Ventura. The board of directors, in conjunction with its Audit Committee, is responsible for assessing the progress and sufficiency of internal controls over financial reporting and disclosure controls and procedures and will make adjustments as necessary. However, these initiatives may not be effective at remedying any deficiencies in internal control over financial reporting and disclosure controls and procedures. Any deficiencies, if uncorrected, could result in Ventura's financial statements being inaccurate and in future adjustments or restatements of its financial statements, which could adversely affect the price of Ventura shares and Ventura's business, financial condition and results of operations.

Key Credentialed Employees

Ventura will rely on a number of key employees and licensed providers with specialized training in the delivery of Ventura's services. Ventura's operations will be adversely affected if any of the key employees cease their employment with Ventura or if Ventura is unable to recruit and retain qualified staff.

Uninsured and Underinsured Clients and Collection Risks

An increase in uninsured and underinsured clients or the deterioration in the collectability of the accounts of such clients could have a material adverse effect on Ventura's business, financial condition and results of operations. Collection of receivables from third-party payors and clients is critical to Ventura's operating performance. The primary collection risks are (i) the risk of overestimating Ventura's net revenues at the time of billing that may result in Ventura receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies denying claims, (iii) the risk that clients will fail to remit insurance payments to Ventura when the commercial insurance company pays out-of-network claims directly to the client, (iv) resource and capacity constraints that may prevent Ventura from handling the volume of billing and collection issues in a timely manner, (v) the risk that clients do not pay Ventura for their self-pay balance (including co-pays, deductibles and any portion of the claim not covered by insurance, and (vi) the risk of non-payment from uninsured clients. Significant changes in business office operations, payor mix or economic conditions, including changes resulting from implementation of the *Affordable Care Act*, could affect Ventura's collection of accounts receivable, cash flows and results of operations. Changes to the *Affordable Care Act* or other changes in law or regulation, including provisions requiring health insurers to allow parents to insure dependent children up to 26 years of age, could also increase the number of individuals who have private health insurance.

Increased State and Federal Investigation of Healthcare Providers

Both federal and state government agencies have heightened and coordinated their civil and criminal enforcement efforts as part of numerous ongoing investigations of healthcare companies and various segments of the healthcare industry. These investigations relate to a wide variety of topics, including relationships with physicians, billing practices and use of controlled substances. The PPACA included an additional $350 million of federal funding over 10 years to fight healthcare fraud, waste and abuse, including $40 million for federal fiscal year 2014. From time to time, the Office of Inspector General and the Department of Justice have established national enforcement initiatives that focus on specific billing practices or other suspected areas of abuse. In addition, increased government enforcement activities, even if not directed towards our treatment facilities, also increase the risk that Ventura's facilities, physicians and other clinicians furnishing services in Ventura's facilities, or Ventura's executives and directors, could become named as defendants in private litigation such as state or federal false claims act cases or consumer protection cases, or could become the subject of complaints at the various state and federal agencies that have jurisdiction over Ventura's operations. Any governmental investigations involving any of Ventura's facilities, executives or directors, even if Ventura ultimately prevails, could result in significant expense and could adversely affect Ventura's reputation.

Uncertainties Regarding the PPACA

The PPACA provides for increased access to coverage for healthcare and seeks to reduce healthcare-related expenses. Overall, the expansion of health insurance coverage under the PPACA, most of which went into effect on January 1, 2014, is expected to be beneficial to the substance abuse treatment industry. Beginning January 1, 2014, health insurers are prohibited from denying coverage to individuals because of preexisting conditions. Further, all new small group and individual market health plans are required to cover ten essential health benefit categories, which include substance abuse addiction and mental health disorder services. Likewise, as of January 1, 2014, small group and individual market plans are required to comply with the requirements of the MHPAEA of 2008. According to the U.S. Department of Health and Human Services estimates published in February 2013, these changes are expected to expand coverage for substance abuse addiction treatment and mental health disorders treatment for another 62.5 million Americans. The expansion of commercial insurance for substance abuse treatment services under the PPACA may result in a higher demand for services from all providers. This may bring new competitors to the market, some of which may be better capitalized and have greater market penetration than Ventura. Further, Ventura expects increased demand for substance abuse treatment services to also increase the demand for case managers, therapists, medical technicians and others with clinical expertise in substance abuse treatment, which may make it both more difficult to adequately staff Ventura's substance abuse treatment facilities and could significantly increase its costs in delivering treatment, which may adversely affect both its operations and profitability. One of the many impacts of the PPACA has been a dramatic increase in payment reform efforts by federal and state government payors as well as commercial payors. These efforts take many forms including the growth of accountable care organizations, pay-for-performance bonus arrangements, partial capitation arrangements and the bundling of services into a single payment. The end result of these efforts is that more risk of the overall cost of care is being transferred to providers. As institutional providers and their affiliated physicians assume more risk for the cost of care, Ventura expects more services to be furnished within provider networks formed to accept these types of payment reform.

Ventura's ability to compete and retain traditional sources of clients may be adversely affected by Ventura's exclusion from such networks or its inability to be included in such networks. Ventura cannot predict the impact the implementation of the PPACA and related rulemaking and regulations may have on Ventura's business, results of operations, cash flow, capital resources and liquidity or whether Ventura will be able to adapt successfully to the changes required by the PPACA.

Changes to Federal, State and Local Regulations

Because Ventura's treatment programs and operations are regulated at federal, state and local levels, Ventura could be affected by different regulatory changes in different regional markets. Increases in the costs of regulatory compliance and the risks of noncompliance may increase Ventura's operating costs, and Ventura may not be able to recover these increased costs, which may adversely affect Ventura's results of operations and profitability. Also, because many of the current laws and regulations are relatively new, Ventura does not always have the benefit of significant regulatory or judicial interpretation of these laws and regulations. In the future, different interpretations or enforcement of these laws and regulations could subject Ventura's current or past practices to allegations of impropriety or illegality or could require Ventura to make changes to its treatment facilities, equipment, personnel, services or capital expenditure programs. A determination that Ventura has violated these laws, or the public announcement that Ventura is being investigated for possible violations of these laws, could adversely affect Ventura's business, operating results and overall reputation in the marketplace. In addition, federal, state and local regulations may be enacted that impose additional requirements on Ventura's facilities, such as the 2013 changes to the HIPAA privacy and security regulations. Adoption of legislation or the creation of new regulations affecting Ventura's facilities could increase its operating costs, restrain its growth, limit it from taking advantage of opportunities presented and could have a material adverse effect on its business, financial condition and results of operations. Adverse changes in existing comprehensive zoning plans or zoning regulations that impose additional restrictions on the use or requirements with respect to its facilities may affect Ventura's ability to operate its existing facilities or acquire new facilities, which may adversely affect its results of operations and profitability.

Estimates of reimbursement amounts for services performed

Ventura recognizes revenues from commercial payers at the time services are provided based on estimates of the amount that payors will pay the Company for the services performed. Management estimates the net realizable value of revenues by adjusting gross client charges using expected realization rates and applying this discount to gross client charges. Expected realization is determined by management after taking into account historical collections received from commercial payors in the prior nine-month period by facility, by type of service and by payer. Estimates of net realizable value are subject to significant judgment and approximation by management. It is possible that actual results could differ from the historical estimates management has used to help determine the net realizable value of revenues. If actual collections either exceed or are less than the net realizable value estimates, the Company will record a revenue adjustment, either positive or negative, for the difference between our estimate of the receivable and the amount actually collected in the reporting period in which the collection occurred. A significant negative revenue adjustment could have a material adverse effect on our revenues, profitability and cash flows in the reporting period in which such adjustment is recorded. In addition, if we record a significant revenue adjustment, either positive or negative, in any given reporting period, it may lead to significant shifts in our results from operations from quarter to quarter, which may limit our ability to make accurate long-term predictions about our future performance.

Risks associated with cannabis operations

The marijuana industry has accelerated in recent years as a number of jurisdictions, including Canada and certain U.S. states, continue to explore liberalization measures around marijuana law. The Canadian Securities Administrators published a revised notice on February 8, 2019 requiring issuers with cannabis operations in the U.S. to provide certain risk disclosure relating to such operations (the "**CSA Notice**"). The following risks are some of the risks described in the CSA Notice applicable to VCAN;

Investors May Have Potential Criminal Liability.

Although the production, possession, delivery, distribution, and sale of marijuana are now legal in several states, under federal law and the Controlled Substances Act, marijuana is a Schedule I controlled substance. Accordingly, the possession, cultivation, manufacture, distribution, or dispensing of cannabis remains illegal under federal law. It is possible that federal law enforcement authorities may bring an action, not only against VCAN, but also against investors in VCAN, asserting a claim of aiding and abetting another's criminal activities, or for conspiracy to commit an offense. The federal aiding and abetting statute provides that anyone who commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal. 18 U.S.C. §2 (a). The federal conspiracy statute provides that "if two or more persons conspire either to commit any offense against the United States. . . In any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both." 18 U.S.C. §371. Any investor should consult with their own attorney and advisors to understand and weigh the risks of possible criminal liability.

VCAN's business activities while believed to be compliant with current applicable state and local law of the United States, are illegal under United States federal law.

The concepts of "**medical cannabis**" and "**retail cannabis**" do not exist under United States federal law. The CSA classifies "**marijuana**" as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis remains illegal under United States federal law. Although VCAN's business activities are believed to be compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve VCAN of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against VCAN or even its Investors. Any such proceedings brought against VCAN may adversely affect VCAN's operations and financial performance.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on VCAN or any of its Investors, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for VCAN to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

There is significant uncertainty surrounding the policies of President Donald Trump and the Trump administration (the "**Trump Administration**") about recreational cannabis and medical cannabis. Former Attorney General Jeff Sessions is a well-known advocate against legalization of cannabis.

On January 4, 2018, the Cole Memorandum was revoked by former Attorney General Sessions, a long-time opponent of state-regulated medical and recreational cannabis. While this did not create a change in federal law, as the Cole Memorandum was not itself law, the revocation removed the United States Department of Justice's ("**DOJ**") guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum's guidelines should not be a prosecutorial priority.

In addition to his revocation of the Cole Memorandum, former Attorney General Sessions also issued a one-page memorandum known as the "Sessions Memorandum." The Sessions Memorandum confirmed the rescission of the Cole Memorandum and explained the rationale of the DOJ in doing so: the Cole Memorandum, according to the Sessions Memorandum, was "unnecessary" due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney's Manual (the "**USAM**"). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the Attorney General," the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution," and "the cumulative impact of particular crimes on the community."

On March 10, 2018, former Attorney General Sessions announced that federal prosecutors would not prioritize the prosecution of small-time marijuana cases, but instead focus its resources on the prosecution of illegal marijuana-growing operations on national parklands and black-market gangs that traffic marijuana and other narcotics.

On April 11, 2018, President Trump expressed his support to Senator Cory Gardner of Colorado for a legislative state's rights approach to the issue. In June, Senators Gardner and Elizabeth Warren of Massachusetts introduced a Senate bill titled "Strengthening the Tenth Amendment Through Entrusting States" (the "**STATES Act**"). A companion bill was simultaneously introduced in the House of Representatives as well. The STATES Act would essentially adopt a federalist approach that will permit states to determine for themselves the legality of marijuana in their states, free of federal interference.

On November 7, 2018, Mr. Sessions resigned as United States Attorney General at the request of President Donald Trump. Following Mr. Sessions' resignation, Matthew Whitaker began serving as Acting United States Attorney General. It is unclear what impact, if any, Mr. Sessions' resignation will have on the enforcement of federal regulation of cannabis in the United States.

The approach to the enforcement of cannabis laws in the future is unknown, cannot be predicted, and may be subject to change or may not proceed as previously outlined.

The Cole Memorandum outlined certain priorities for the DOJ relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the DOJ has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.

However, as noted above, on January 4, 2018, the Cole Memorandum was revoked by Attorney General Sessions.

Although the Cole Memorandum has been rescinded, one legislative safeguard for the medical cannabis industry remains in place, because the Department of Justice memorandums serve as discretionary agency guidance and do not constitute a force of law, cannabis related businesses have worked to continually renew the Rohrabacher Blumenauer Appropriations Amendment (originally the Rohrabacher Farr Amendment) that has been included in federal annual spending bills since 2014. This amendment restricts the Department of Justice from using federal funds to prevent states with medical cannabis regulations from implementing laws that authorize the use, distribution, possession or cultivation of medical cannabis. In 2017, Senator Patrick Leahy (D-Vermont) introduced a parity amendment to H.R.1625–a vehicle for the Consolidated Appropriations Act of 2018, preventing federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding ("**Leahy Amendment**"). The Leahy Amendment was set to expire with the 2018 Fiscal Year on September 30, 2018, however, Congress approved a nine-week continuing resolution from the 2018 Fiscal Year (the "**Continuing Resolution**"). The Continuing Resolution has the result of providing ongoing and consistent protection for the medical cannabis industry until December 7, 2018.

Congress has been negotiating the 2019 Fiscal Year appropriations since February 2018. The much relied on appropriations protecting the medical cannabis industry was renewed in both the House and Senate versions of the 2019 Fiscal Year Appropriations bills, with the expectation that the language will been acted in the final 2019 Fiscal Year Appropriations Bill. However it should be noted that there is no assurance that the final 2019 Fiscal Year Appropriations Bill will include appropriations protecting the medical cannabis industry.

VCAN's investments in the United States are subject to applicable anti-money laundering laws and regulations.

VCAN is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network ("**FCEN**") of the U.S. Department of the Treasury issued a memorandum providing instructions to banks seeking to provide services to cannabis related businesses (the "**FCEN Memo**"). The FCEN Memo states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memo.

If any of VCAN's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of VCAN to declare or pay dividends, or effect other distributions.

VCAN's investments in the United States may be subject to heightened scrutiny.

For the reasons set forth above, VCAN's existing investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States. As a result, VCAN may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on VCAN's ability to invest in the United States or any other jurisdiction, in addition to those described herein.

U.S. border officials could deny entry into the U.S. to employees of or investors in companies with cannabis operations in the United States and Canada.

Because cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licensed cannabis companies could face detention, denial of entry or lifetime bans or even prosecution from the U.S. for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. Business or financial involvement in the legal cannabis industry in Canada or in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, U.S. Customs and Border Protection released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that Canada's legalization of cannabis will not change U.S. Customs and Border Protection enforcement of United States laws regarding controlled substances and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal marijuana industry in U.S. states where it is deemed legal or Canada may affect admissibility to the U.S. As a result, U.S. Customs and Border Protection has affirmed that, employees, directors, officers, managers and investors of companies involved in business activities related to cannabis in the U.S. or Canada (such as VCAN), who are not U.S. citizens face the risk of being barred from entry into the United States for life.

Laws and regulations affecting the cannabis industry are constantly changing.

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

Reliance on third-party suppliers, manufacturers and contractors.

VCAN intends to maintain a full supply chain for the provision of products and services to the regulated cannabis industry. Due to the uncertain regulatory landscape for regulating cannabis in Canada and the United States, VCAN's third party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for VCAN's operations. Loss of these suppliers, manufacturers and contractors may have a material adverse effect on VCAN's business and operational results.