TOP STRIKE RESOURCES CORP.

FORM 2A

LISTING STATEMENT

Dated as at September 21, 2018

CAUTIONARY NOTE ON U.S. CANNABIS INVOLVEMENT

This Listing Statement is being filed by an entity that is expected to directly and indirectly derive a substantial portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. federal law. Top Strike Resources Corp. (as the Issuer), to be renamed "Vencanna Ventures Inc.", will be indirectly involved (through investment in operating cannabis businesses) in the cannabis industry in the United States where local state laws permit such activities. See Section 4 – "*Narrative Description of the Business*" for more information.

The cultivation, sale and use of cannabis are illegal under U.S. federal law pursuant to the U.S. *Controlled Substance Act of 1970* (the "**CSA**"). Under the CSA, the policies and regulations of the United States federal government and its agencies provide that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply.

Despite the current state of the federal law and the CSA, the states of California, Nevada, Massachusetts, Maine, Washington, Oregon, Colorado, Vermont and Alaska, and the District of Columbia, have legalized recreational use of cannabis. Massachusetts and Maine have not yet begun recreational cannabis operations. In early 2018, Vermont became the first state to legalize recreational cannabis by passage in a state legislature, but does not allow commercial sales of recreational cannabis. Although the District of Columbia voters passed a ballot initiative in November 2014, no commercial recreational operations exist because of a prohibition, passed by the United States Congress, on using federal or District funds for regulation to legalize or otherwise reduce penalties associated with distribution of any Schedule I substance under the CSA (including cannabis).

In addition, almost half of the U.S. states have enacted legislation to regulate the sale and use of medical cannabis, while other states have legalized and regulated the sale and use of medical cannabis with strict limits on the levels of THC.

The Issuer's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States and Canada. Accordingly, there are a number of significant risks associated with the business of the Issuer. Unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing and scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, and the businesses of the early-stage cannabis companies the Issuer intends to invest in may be deemed to be producing, cultivating, extracting or dispensing cannabis in violation of federal law in the United States.

For these reasons, the Issuer's involvement as a capital provider in the U.S. cannabis market may subject the Issuer to heightened scrutiny by regulators, stock exchanges, clearing agencies and other Canadian authorities. There are a number of risks associated with the business of the Issuer. See Section 17 - "*Risk Factors*" for more information.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Listing Statement constitute forward looking statements. The use of any of the words "anticipate", "intend", "continue", "estimate", "expect", "may", "will", "plan", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. The Issuer believes the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forwarding looking statements speak only as of the date of this Listing Statement. In particular, this Listing Statement may contain forward looking statements pertaining to the following:

- completion of the Transaction and related matters;
- the business plan and strategy of the Issuer;
- expectations as to future operations of the Issuer, including the availability and success of investment opportunities in the cannabis industry;
- expectations as to the size and value of the global market for medical and recreational cannabis;
- the Issuer's anticipated financial performance following completion of the Transaction;
- the Issuer's future development and growth prospects;
- the Issuer's expected operating costs, general and administrative costs, costs of services and other costs and expenses;
- the Issuer's future issuances and grants of securities;
- the Issuer's ability to meet current and future obligations; and
- the Issuer's ability to obtain and provide financing on acceptable terms or at all.

Although management of the Issuer believes that the expectations reflected in the forward looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth below and elsewhere in this Listing Statement.

- failure to receive regulatory, TSXV, CSE and other approvals regarding the Transaction;
- the ability of management to execute its business plan, including its cannabis-focused investment strategy;
- the Issuer's dependence on the performance and ongoing employment of management;
- failure to realize the anticipated benefits of investments;

- incorrect assessments of the value of potential investments;
- legislative and regulatory environments of the jurisdictions where the Issuer will carry on business or have operations;
- the effect consumer perception of the medical-use and adult-use of cannabis will have on the market price of cannabis-related products;
- the impact of competition and the competitive response to the Issuer's business strategy;
- the risks of the cannabis industry, such as regulatory risks and increasing competition;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- timing and amount of capital and other expenditures;
- conditions in financial markets and the economy generally; and
- the other factors discussed in Section 17 – "*Risk Factors*".

With respect to forward looking statements contained in this Listing Statement, the Issuer has made assumptions regarding, among other things:

- the impact of increasing competition;
- timing and amount of capital expenditures;
- the legislative and regulatory environments of the jurisdictions where the Issuer will carry on business, has operations or plans to have operations;
- the ability of the Issuer to enter into contracts with companies to provide financing on acceptable terms;
- conditions in general economic and financial markets; and
- the Issuer's ability to obtain additional financing on satisfactory terms or at all.

The Issuer has included the above summary of assumptions and risks related to forward looking information provided in this Listing Statement in order to provide investors with a more complete perspective on the Issuer's current and future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this Listing Statement are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Issuer does not undertake any obligation nor is the Issuer under any duty to publicly update or revise any forward looking statements. Readers should also carefully consider the matters discussed under Section 17 – "*Risk Factors*" in this Listing Statement.

Unless otherwise indicated, information contained in this Listing Statement concerning the Issuer's industry and the markets in which the Issuer operates, including the Issuer's general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, the Issuer's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Issuer's internal research, and include assumptions made by the Issuer which it believes to be reasonable based on its knowledge of its industry and markets. The Issuer's internal research and assumptions have not been verified by any independent source, and the Issuer has not independently verified any third-party information. While the Issuer believes the market position, market opportunity and market share information included in this Listing Statement is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Issuer's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in Section 17 – "*Risk Factors*" in this Listing Statement.

TABLE OF CONTENTS

1. GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Listing Statement. Terms and abbreviations used in the schedules to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations made thereunder, in each case as now in effect and as may be amended or replaced from time to time;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), including the regulation made thereunder, in each case as now in effect and as may be amended or replaced from time to time;

"**Board**" or "**Board of Directors**" means the board of directors of the Issuer;

"**BSA**" means the *Currency and Foreign Transactions Reporting Act of 1970* (United States), as amended by Title III of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (United States), commonly known as the *Bank Secrecy Act*;

"**CBD**" means cannabidoil, the principal non-psychoactive constituent of the cannabis plant;

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CDSA**" means the *Controlled Drugs and Substances Act* (Canada), as amended, including all regulations promulgated thereunder;

"**Certificate of Amalgamation**" means the certificate of amalgamation for the Amalgamation issued by the Director pursuant to the CBCA;

"**Closing**" means the completion of the Transaction, expected to occur on or about September 19, 2018;

"**Cole Financial Crime Memo**" means the memorandum dated February 14, 2014, issued by the U.S. Department of Justice regarding marijuana-related financial crimes;

"**Cole Memorandum**" means the memorandum dated August 29, 2013, addressed to "All United States Attorneys" from James M. Cole, Deputy Attorney General of the United States, and having the subject line "Guidance Regarding Marijuana Enforcement";

"**Common Shares**" means the common shares in the capital of the Issuer;

"**Control Person**" means any Person or company that holds or is one of a combination of Persons or companies that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting securities of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer;

"**CSE**" means the Canadian Securities Exchange Inc.;

"**Domestic Issuer**" has the meaning ascribed to the term "**domestic issuer**" in Rule 902(e) of Regulation S under the 1933 Act;

"**FinCEN Memo**" means the memorandum dated February 14, 2014, issued by the Financial Crimes Enforcement Network, providing guidance to clarify the BSA expectations for financial institutions seeking to provide services to marijuana-related business;

"**Form 2A**" means CSE Form 2A – *Listing Statement*;

"**IFRS**" means International Financial Reporting Standards;

"**Investment Committee**" means the investment committee of the Company, to be formed upon completion of the Transaction;

"**Investment Company Act**" means the *United States Investment Company Act of 1940* (United States), as amended;

"**Insider Private Placement**" means the Issuer's private placement of Insider Units to the New Management Team, together with additional subscribers identified by the New Management Team, for aggregate proceeds of up to $1.5 million;

"**Insider Units**" means the units of the Issuer to be issued pursuant to the Insider Private Placement at a price of $0.05 per Insider Unit, each Insider Unit consisting of one Common Share and one Insider Warrant;

"**Insider Warrants**" means the Common Share purchase warrants of the Issuer issued pursuant to the Insider Private Placement, each whole Insider Warrant entitling the holder to purchase one Common Share at a price of $0.06 for a period of five years from the date of issuance of the Insider Warrants, provided that if the Common Shares are either: (i) listed on the facilities of a stock exchange other than the CSE; or (ii) acquired for cash or for the securities of a public company not listed on the facilities of the CSE, then each Insider Warrant shall be exercisable for two Common Shares at a price of $0.06 per Common Share;

"**IRS**" means the Internal Revenue Service of the United States;

"**Issuer**" or "**Top Strike**" means Top Strike Resources Corp.;

"**Listing Statement**" means this Listing Statement of the Issuer including the Appendices hereto;

"**New Advisory Board**" means the new advisory board of the Issuer to be appointed concurrently with the Private Placement and Insider Private Placement, the sole member of which will be Trent Woloveck;

"**New Management Team**" means the new management team and board of directors of the Issuer to be appointed concurrently with the Private Placement and Insider Private Placement, including David McGorman as Chief Executive Officer and a director, Jon Sharun as Executive Director, Jason Ewasuik as Vice President, Originations, Mike Tanasichuck as Chief Financial

Officer, Matt Christopherson as a director, Alan Gertner as a director, Dr. Inbar Maymon-Pomeranchick as a director and W. Scott McGregor as a director;

"**NEX**" means the NEX board of the TSXV;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**Option Plan**" means the stock option plan of the Issuer;

"**Options**" means the stock options of the Issuer to be granted pursuant to the Option Plan;

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, governmental entity, syndicate or other entity, whether or not having legal status;

"**PFIC**" means a passive foreign investment company;

"**PhytoTech**" means MMJ PhytoTech Limited;

"**Phytopharma**" means Phytopharma International Ltd.

"**Preferred Shares**" means the preferred shares in the capital of the Issuer;

"**Private Placement**" means the Issuer's private placement of Issuer Units for aggregate proceeds of between $5.0 and $25.0 million, subject to the Issuer increasing the size of the private placement to $30.0 million as a result of excess demand;

"**Record Date**" means the record date for the Rights Offering;

"**Related Entity**" means, in respect to the Issuer, (i) a Person that is an affiliated entity of the Issuer, of which the Issuer is a control block holder, (ii) a management company or distribution company of a mutual fund that is an Issuer, or (iii) a management company or other company that operates a trust or partnership that is an Issuer;

"**Related Person**" means, in respect to the Issuer, (i) a Related Entity of the Issuer, (ii) a partner, director or officer of the Issuer or Related Entity, (iii) a promoter of or person who performs Investor Relations Activities for the Issuer or Related Entity, (iv) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Issuer or Related Entity, and (v) such other person as may be designated from time to time by the CSE;

"**Right**" means a right to be issued pursuant to the Rights Offering entitling the holder to purchase one Common Share for every four Rights held at a price of $0.06 per Common Share;

"**Right Offering Notice**" means the rights offering notice to be mailed to shareholders in connection with the Rights Offering;

"**Rights Offering**" means the rights offering of the Resulting Issuer;

"**Securities Act**" means the *Securities Act* (Alberta), including the regulations made thereunder, in each case as now in effect and as may be amended or replaced from time to time;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;

"**SAR**" means a "suspicious activity report" submitted by financial institutions as required by federal money laundering laws;

"**Sessions Memorandum**" means the memorandum dated January 8, 2018, issued by the United Stated Attorney General Jeff Sessions, rescinding the Cole Memorandum;

"**THC**" means Tetrahydrocannabinol, the principal psychoactive constituent of the cannabis plant;

"**TMX MOU**" means the Memorandum of Understanding among TMX Group, Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange and the TSXV signed on February 8, 2018;

"**Transaction"** means the Private Placement, appointment of the New Management Team, creation of the New Advisory Board and the Insider Private Placement;

"**Transaction Options**" means the Options, in an aggregate amount equal to 8.0% of the issued and outstanding Common Shares and with an exercise price of $0.06 per Common Share, to be granted upon completion of the Transaction;

"**Transfer Agent**" means Computershare Trust Company of Canada;

"**TSXV**" means the TSX Venture Exchange;

"**Units**" means the units of the Issuer to be issued pursuant to the Private Placement at a price of $0.06 per Unit, each Unit consisting of one Common Share and one-half of one Warrant;

"**Venexo**" means Venexo Capital Inc.; and

"**Warrants**" means the Common Share purchase warrants of the Issuer to be issued pursuant to the Private Placement, each whole Warrant entitling the holder to purchase one Common Share at a price of $0.09 for a period of three years from the date of issuance of the Warrants, provided that the Issuer may, after one year from the date of issuance of the Warrants, accelerate the expiry date of the Warrants subject to the average trading price of the Common Shares being equal to or exceeding $0.14 for any consecutive 20-day trading period following the first anniversary date of issuance of the Warrants.

Unless otherwise stated, all sums of money which are referred to in this Listing Statement are expressed in lawful money of Canada.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The full corporate name of the Issuer is "Top Strike Resources Corp.". The head office of the Issuer is located at 2915 Park Lane S.W., Calgary, Alberta, T2S 2L6. The registered office of the Issuer is located at 1000 Livingston Place, 250 – 2nd Street S.W., Calgary, Alberta, T2P 0C1.

Top Strike changed its name from "Colossal Resources Corp." to "Top Strike Resources Corp." on December 13, 2012.

2.2 Jurisdiction of Incorporation

The Issuer was incorporated under the BCBCA, and was continued into Alberta under the ABCA on December 13, 2012.

2.3 Intercorporate Relationships

The Issuer does not have any subsidiaries.

2.4 Fundamental Change

The Issuer is an inactive issuer formerly engaged in the oil and gas industry, and is currently listed on the NEX under the symbol "TSR.H". The Issuer has disposed of its oil and gas assets and intends to apply to delist from the NEX as part of the Transaction. The delisting of the Common Shares from the NEX is intended to occur concurrently with the listing of the Common Shares on the CSE.

2.5 Non-Corporate Issuers or Issuers Incorporated Outside of Canada

This section is not applicable to the Issuer.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

Upon the completion of the Transaction, the Issuer will be a publicly-listed merchant capital firm aiming to be the go-to capital provider for early stage global cannabis initiatives that provide its investors with a diversified high growth cannabis investment strategy. See Section 4 – "*Narrative Description of the Business*" for more information.

Prior to the Transaction, the Issuer has not carried on active business activities and has been an inactive issuer listed for trading on the NEX under the symbol "TSR.H". The Issuer was formerly engaged in the international and domestic mining and oil and gas industry, and has been seeking new business opportunities.

(a) Mining Operations

In September 2005, the Issuer relinquished its option to acquire a 50% interest in certain mineral claims situated in the Thunder Bay Mining District of Ontario.

In March 2006, the Issuer sold 100% of its interest in the approximately 360,000 acres of land located in the Birch Mountains of northeast Alberta where the Issuer had previously conducted diamond exploration and drilling operations (the "**Legend Property**") to Grizzly Discoveries Inc. ("**Grizzly**"). The sale price for the Legend Property was $12,500 cash and 50,000 common shares of Grizzly at a deemed value of $1.00 per share.

In April 2006, the Issuer sold 100% of its interest in Arctic Star Resources Ltd. to 1243835 Alberta Ltd. for $1.00 resulting in a gain from discontinued operations of $427,077. The Issuer forgave a balance due from its former subsidiaries (Arctic Star Resources Ltd. and 964919 Alberta Ltd.) totalling $381,228 to complete the transaction.

The Issuer wrote down all of its mineral properties as of April 30, 2006 to Nil.

(b) New Business Opportunities

From 2006 to 2016, Top Strike searched for opportunities in the international and domestic oil and gas industries. In 2016, Top Strike expanded the scope of its search for acquisition targets beyond the oil and gas industry.

On September 24, 2016, Top Strike entered into a letter of intent with PhytoTech, an Australia Stock Exchange listed company, for the purchase of its core cannabis subsidiaries. On November 2, 2016, PhytoTech delivered a notice of termination of the transaction.

On February 1, 2017, Top Strike entered into a letter of intent with Phytopharma, a life sciences company focused on research, development and commercialization of natural cannabis-based products for the medical cannabis and healthcare markets. The letter of intent contemplated the acquisition by Top Strike of all of the issued and outstanding shares of Phytopharma. On January 9, 2018, the Issuer announced that Phytopharma and Top Strike had mutually agreed that they would not proceed with the transaction to combine Top Strike and Phytopharma.

Top Strike continued evaluating opportunities for possible transactions until a letter of intent regarding the Transaction was executed on June 29, 2018.

3.2 Significant Acquisitions and Dispositions

There have been no significant acquisitions or dispositions, nor are there any probable significant acquisitions or dispositions proposed by the Issuer, for which pro forma financial statements would be required under NI 41-101 if this Listing Statement were a prospectus.

3.3 Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties which the New Management Team expects could impact its business and financial condition are: (i) the changing legal and regulatory regime which regulates the production and sale of cannabis and cannabis-related products; (ii) the ability of companies who may receive funds from the sale of cannabis and cannabis-related products to adequately track and legally transfer such funds; (iii) the ability of companies to raise adequate capital, and if obtained, use such capital to carry out their business objectives effectively; and (iv) the shifting public perception of medical and recreational cannabis in the United States and globally.

There are significant risks associated with the business of the Issuer, as described above and in Section 17 – *Risk Factors*. Readers are strongly encouraged to carefully read all of the risk factors contained in that section.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General Business of the Issuer

Prior to the Transaction, Top Strike did not have active business operations aside from seeking business opportunities. The below description encompasses the Issuer's business plan and objectives upon effecting the Transaction.

(a) The Transaction

The Transaction will consist of: (i) the Private Placement; (ii) the Insider Private Placement; and (iii) the appointment of the New Management Team.

Pursuant to the Private Placement, Venexo, or its nominee(s), together with additional subscribers on a non-brokered basis, will subscribe for Units for aggregate gross proceeds of between \$5.0 and \$25.0 million at a price of \$0.06 per Unit, provided that the Issuer shall be entitled to increase the size of the Private Placement to \$30.0 million as a result of excess demand.

Each Unit shall be comprised of one Common Share and one-half of one Warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.09 per Common Share for a period of three years from the date of issuance of the Warrant. After one year from the date of issuance of the Warrants, the Issuer may accelerate the expiry date of the Warrants provided that the average trading price of the Common Shares is equal to or exceeds \$0.14 for any consecutive 20-day trading period following the first anniversary date of issuance of the Warrants.

In addition to the Private Placement, the Issuer will complete the Insider Private Placement, whereby the New Management Team, together with additional subscribers identified by the New Management Team, will subscribe for Insider Units for aggregate gross proceeds of up to \$1.5 million at a price of \$0.05 per Insider Unit.

Each Insider Unit shall be comprised of one Common Share and one Insider Warrant. Each Insider Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.06 per Common Share for a period of five years from the date of issuance, provided that if the Common Shares are either: (i) listed on the facilities of a stock exchange other than the CSE; or (ii) acquired for cash or for the securities of a public company not listed on the facilities of the CSE, then each Insider Warrant shall be exercisable for two Common Shares at a price of \$0.06 per Common Share.

Proceeds from the Private Placement and Insider Private Placement will be used to make investments in strategic cannabis investment opportunities and for general corporate purposes. Venexo, or its nominee(s), along with the New Management Team will be participating in the Private Placement for a minimum of \$1.0 million and shall be subscribing for up to \$1.5 million in the Insider Private Placement. The Transaction will not result in the creation of a new control person.

Completion of the Transaction is subject to the delisting of the Common Shares from the NEX and the concurrent listing of the Common Shares on the facilities of the CSE and customary closing conditions, including the approval of the NEX to delist and the satisfaction of the initial listing requirements of the CSE. The CSE will issue a bulletin confirming the date on which trading of the Common Shares on the CSE will commence, which is anticipated to be within four days of the completion of the Private Placement. The Transaction will constitute an arm's length transaction.

The completion of the Private Placement is expected to occur on or about September 19, 2018 and may be completed in one or more tranches. The resignation of the current board of directors and management team of Top Strike and the appointment of the New Management Team will occur contemporaneous with the Closing.

The Transaction will see the Corporation transition from a resource company to a company carrying on business in the cannabis sector.

Upon completion of the Private Placement, the Issuer will grant Transaction Options to the New Management Team and employees of the Issuer in an aggregate amount equal to 8.0% of the issued and outstanding Common Shares. The Transaction Options will be exercisable at a price of $0.06 per Common Share.

Additionally, the Issuer's shareholders will be entitled to participate in the Rights Offering, which is expected to be conducted by way of a rights offering circular. Pursuant to the Rights Offering, each shareholder as of the Record Date will be issued one Right for each Common Share held on the Record Date, entitling that holder to purchase one Common Share for every four Rights held at a price of $0.06 per Common Share at or before the expiry time of the Rights Offering, following which all outstanding Rights shall terminate and expire. Subscribers of Common Shares under the Private Placement and the Insider Private Placement will waive their right to participate in the Rights Offering with respect to any securities acquired pursuant to the Private Placement or the Insider Private Placement, as applicable. The Rights Offering is subject to applicable regulatory approval, including the CSE.

(b) Organization

Upon completion of the Transaction, the Issuer will be a publicly-listed merchant capital firm aiming to be the go-to capital provider for early-stage global cannabis initiatives that provide its investors with a diversified, high-growth cannabis investment strategy. It is anticipated that the New Management Team will change the name of the Issuer to "Vencanna Ventures Inc." upon receipt of shareholder approval.

The Issuer expects to execute on an international cannabis-focused investment strategy with an emphasis on state compliant opportunities in the United States through the development and management of a diversified portfolio of predominantly early stage cannabis investment opportunities. The recapitalized corporate structure will allow the Issuer to explore and invest in a number of strategic global opportunities in the medical and recreational cannabis industry including ancillary products and services.

(c) Business Objectives and Investment Strategy

The Issuer will look to provide accelerator capital to early stage opportunities in the cannabis sector where the investment creates a growth catalyst for companies unable to access conventional capital markets. Investments by the Company will be made in accordance with and are otherwise subject to the Issuer's investment policy (the "**Investment Policy**"), which may be amended from time to time at the sole discretion of the Company without shareholder approval unless required by applicable laws or CSE policies. The key elements of the Investment Policy are summarized and included below.

The Issuer will maintain a focus on state compliant opportunities in the United States. Potential investments will also include global opportunities, with a focus on jurisdictions with oligopolistic markets and higher barriers to entry, and will span across the cannabis value chain, including cultivation, propagation, processing, distribution, and ancillary products. All investments will be fully compliant with jurisdictional laws and regulations.

The Issuer will target investments with the potential for three to five times return on investment within two to five years. The Issuer's investment criteria will include:

- **Quality Team**: Top-tier management teams with proven track records and equity alignment.
- **Profitable Markets**: Large feasible market with projected strong operating margins.
- **Risk Assessment**: Identify operational, market and jurisdictional risks, and the mitigants thereof.
- **Cash Flow**: Invest in businesses with existing top line revenues, or a clear visibility to revenues, at or near positive free cash flow.
- **Competitive Edge**: Invest in businesses that possess competitive advantages, including barriers to entry due to jurisdictional restrictions, unique technologies, products and/or methods.
- **Scalability**: Look for businesses with the ability to quickly create scale in the business and profitably gain market share.
- **Valuation**: Invest in businesses with reasonable and justifiable valuations.
- **Exit Strategy**: Invest in businesses with the potential to be an attractive acquisition target and/or a public market candidate.

With this investment criteria, the Issuer intends to build an initial investment portfolio, with a majority of the capital raised to be invested within the next 12 months. The portfolio will focus on primarily private long (buy) majority or minority equity positions in global-based opportunities, but may also include a wide range of investments, including cannabis streaming arrangements, secured or unsecured loans, asset acquisitions, bare land acquisitions, joint ventures and licensing arrangements, among other forms of investment or alternative financing. It is expected that approximately eighty per cent of the initial investment portfolio will consist of investments in private companies. The Issuer intends to expand this initial investment portfolio through additional investments available through investment crystallization, use of leverage, and further funding from the public markets. The nature and timing of the Issuer's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Issuer.

From a procedure and implementation perspective, management and the Board will identify potential investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channeled through management. Management will assess whether the proposal fits with the investment and corporate strategy of the Issuer in accordance with the Issuer's Investment Policy, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of its Board, or outside professional advisors or consultants.

Due diligence will include an analysis of the relevant industry, as well as the specific investment opportunity, its management team (where applicable), quality of assets and risks associated, including legal, regulatory or jurisdictional risks, as applicable. All investments shall be submitted to the Investment Committee for final approval. The Investment Committee will be provided with a summary of the reasons for the investment decision and may include, among other things, the estimated return on investment, anticipated timeline of investment, milestones against which future progress can be measured, and risks associated with the investment.

Management will monitor the Issuer's investment portfolio on an ongoing basis and report to the Board on the state of the investment portfolio on a regular basis.

In certain cases, the Issuer may require that investee companies provide status reports, including in relation to financial performance, to management on a periodic basis or require more activity monitoring. To assist with the monitoring of its investments in addition to observing each investment's financial performance, the Issuer may seek to appoint a director to the board of its investee companies or take a more active role in management where it deems it appropriate.

(d) Milestones

To accomplish the Issuer's stated business objectives, it is anticipated that the Issuer will need to accomplish the following milestones:

Milestone	**Target Date**	**Estimate Cost ($)**
Make First Strategic Investment	December 2018	$3,000,000
Build Strategic Investment Portfolio	August 2019	$9,000,000

The foregoing milestones may change due to market conditions. See Section 17 – "*Risk Factors*" for more information.

(e) Total Funds

As of July 31, 2018, being the most recent month end prior to the filing of this Listing Statement, the estimated consolidated working capital was $65,000. Upon completion of the Transaction, taking into account transaction and financing costs, the recapitalized Issuer is expected to have a net cash position of approximately $15.5 million, assuming $15.0 million in subscriptions under the Private Placement and $1.5 million in subscriptions under the Insider Private Placement (the final amount being subject to actual participation in the Private Placement and Insider Private Placement and legal costs and commissions payable from both), thereby providing the New Management Team a platform to execute the above-mentioned business objectives and milestones. The Issuer will rely on the Transaction to satisfy its capital requirements and may require further equity capital to finance its investment activities.

Upon completion of the Transaction, the Issuer will have an estimated working capital balance of approximately $15.5 million.

The Issuer intends to spend its available funds on building its investment portfolio and general corporate purposes. The estimated use of funds following completion of the Transaction is set forth below.

Use of Available Funds	**Estimate Expenditures ($)**
Strategic Investments	$12,000,000
G&A (12 months)	$1,000,000
Working Capital	$2,500,000

Breakdown of G&A Expenses	**Estimate Expenditures ($)**
Management Salaries	$500,000
Rent and Support Staff	$175,000
Travel / Conferences	$150,000
Marketing	$100,000
Incidentals	$75,000
Total	**$1,000,000**

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Issuer to achieve its objectives. The Issuer may require additional funds in order to fulfill all of its expenditure requirements to meet its business objectives and may either issue additional securities or incur debt. There can be no assurance that additional funding required by the Issuer will be available, if required. However, it is anticipated that the available funds will be sufficient to satisfy the Issuer's objectives over the next 12 months.

(f) Specialized Skill and Knowledge

The Issuer believes that commercial success will be driven by financial acumen, creative innovation, and a steadfast commitment to excellence in all aspects of the Issuer's operations. The members of the New Management Team have experience in the cannabis sector through investments, founding companies and direct operational management and possess the following core strengths:

- **Deal Sourcing**: Specialists in evaluating opportunities and helping set strategic goals with a large and growing network throughout North America consisting of industry, regulatory, buy-side and sell-side contacts.

- **Transaction Experience**: Participated in raising over $7 billion in equity and debt and have advised on transactions aggregating over $5 billion in transaction value and secured over $1.7 billion in project bids.

- **Capital Markets**: Bring over 100 years of combined corporate finance, capital markets, direct investing, operational and legal advisory experience.

- **Operational Expertise**: Operating experience with both Canadian and U.S. cultivators and possess a full understanding of the value chain, from cultivation, to processing, to product placement, to distribution.

- **Industry Knowledge**: Actively involved in the cannabis sector as investors, financial advisors and principals of cannabis-related businesses.

(g) Employees

As of the date of this Listing Statement, the Issuer has no full-time employees. The Issuer plans to establish service contracts for key executives, management, functional expertise and other support personnel upon completion of the Transaction.

(h) Risks Associated with Foreign Operations

See Section 4.1(m) – "*Regulation of Cannabis Industry in the United States - Generally*" for more information.

(i) Competitive Conditions

The cannabis industry is rapidly expanding and includes a large number of regulated producers. There is also an increasing demand for cannabis as various jurisdictions are increasing access to cannabis for both medical and recreational purposes. This is a relatively new industry that is tightly controlled by and subject to extensive regulation. Further, the existing regulation is subject to change.

The fast growing market for legalized cannabis in the U.S., and internationally, has created a competitive environment for cannabis producers as well as other types of companies who provide goods and services to the cannabis industry. However, there remains a significant lack of traditional sources of bank lending and equity capital available to fund the operations of companies in the cannabis sector, particularly in the United States, due to the fact that cannabis is still classified as a Schedule I drug and is illegal at a Federal level. Management believes that the Issuer can build a strong portfolio of cannabis-related holdings by providing tailored, state law compliant, and financially attractive sources of funding and/or equity investment to cannabis and cannabis-connected companies.

In the United States, as more U.S. jurisdictions pass state legislation allowing recreational use of cannabis, the Issuer expects an increased level of competition amongst unconventional capital providers. A number of investment companies listed on the CSE have already begun expanding operations and investments to states that have decriminalized cannabis consumption. These include, but are not limited to, Australis Capital Inc., Cannabis Growth Opportunity Corp., CannaRoyalty Corp., Cannex Capital Holdings Inc., Capitor Capital Corp., FinCanna Capital Corp., High Hampton Holdings Corp., iAnthus Capital Holdings Inc., Liberty Health Sciences Inc., TGOD Acquisitions Corp., and Quinsam Capital Corporation. The increasingly competitive U.S. and international markets may adversely affect the financial conditions and operations of the Issuer and the Issuer's investments.

(j) Lending Operations

The Issuer's business is not anticipated to involve any lending operations.

(k) Nature and Results of Bankruptcy or Other Proceedings

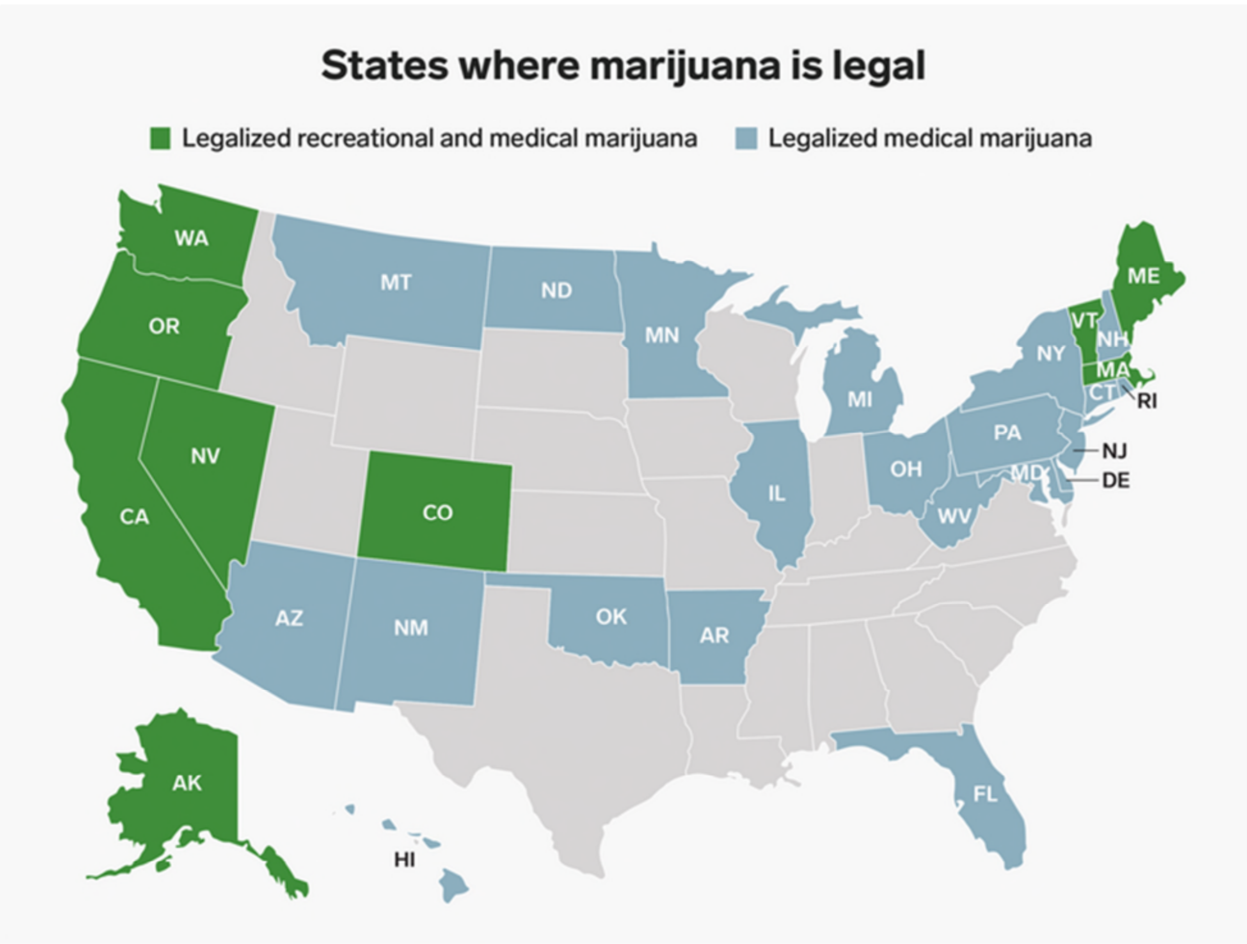
The Issuer is not the subject of any current bankruptcy, receivership or similar proceedings. Further, there have not been any voluntary bankruptcy, receivership or similar proceedings against the Issuer within the three most recently completed financial years.

(l) Nature and Results of Material Restructuring

Other than the Transaction, the Issuer has not been subject to any material restructuring transaction within the three most recently completed financial years, nor is the Issuer proposing any material restructuring transaction for the current financial year.

(m) Regulation of Cannabis Industry in the United States – Generally

In the United States, thirty states and Washington D.C. have legalized medical marijuana, while nine states and Washington, D.C. have also legalized recreational marijuana. The following diagram provides a map of the states that have legalized medical or recreation marijuana:



Source: Business Insider (Jenny Cheng), https://www.businessinsider.com/legal-marijuana-states-2018-1

Although cannabis currently remains a Schedule I drug and controlled substance under federal law, the U.S. Department of Justice issued the Cole Memorandum on August 29, 2013 to the U.S. Attorneys' offices (federal prosecutors) directing that individuals and businesses that rigorously comply with state regulatory provisions in states that have strictly-regulated legalized medical or recreational cannabis programs should not be a prosecutorial priority for violations of federal law. This federal policy was reinforced by the passage of a 2015 federal budget bill amendment (passed in 2014) known as the Rohrabacher-Farr Amendment that prohibits the use of federal funds to interfere in the implementation of state medical marijuana laws. This bill targets Department of Justice funding, which encompasses the Drug Enforcement Agency and Offices of the United States Attorneys. This bill shows the development of bipartisan support in the U.S. Congress for legalizing the use of cannabis. It is anticipated that the federal government will eventually repeal the federal prohibition on cannabis and thereby leave the states to decide for themselves whether to permit regulated cannabis cultivation and sale, just as states are free today to decide policies governing the distribution of alcohol or tobacco. On January 4, 2018, the U.S. Department of Justice rescinded the Cole Memorandum. Given that the Cole Memorandum was never legally binding, the U.S. Department of Justice continues to have discretion to enforce federal drug laws.

Under U.S. federal law it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or the sale of any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. Despite these laws, the U.S. Treasury Department issued a memorandum in February of 2014 outlining the pathways for financial institutions to bank marijuana businesses in compliance with federal law. Under these guidelines, financial institutions must submit a SAR as required by federal money laundering laws. These marijuana related SARs are divided into three categories: marijuana limited, marijuana priority and marijuana terminated, based on the financial institution's belief that the marijuana business follows state law, is operating out of compliance with state law, or where the banking relationship has been terminated. In the U.S., a bill has been tabled in Congress to grant banks and other financial institutions immunity from federal criminal prosecution for servicing marijuana-related businesses if the underlying marijuana business follows state law. This bill has not been passed and there can be no assurance with that it will be passed in its current form or at all. In both Canada and the United States, cannabis-related transactions involving banks and other financial institutions are both difficult and unpredictable under the current legal and regulatory landscape.

Political and regulatory risks also exist due to the presidential administration of Donald Trump and his appointment of Sen. Jeff Sessions to the post of Attorney General. President Trump's positions regarding marijuana are difficult to discern; however, Attorney General Sessions has been a consistent opponent of marijuana legalization efforts throughout his political career. It remains unclear what stance the U.S. Department of Justice under the new administration might take toward legalization efforts in U.S. states, but federal enforcement of the CSA and other applicable laws is possible. In July 2017, Attorney General Sessions sent letters to the Governors of Colorado, Washington, Alaska, and Oregon responding to their April 2017 request to retain the Cole Memorandum and engage with the Governors before embarking on any changes to regulatory and enforcement systems. In these response letters, Attorney General Sessions noted that the Cole Memorandum does not prevent federal investigations or prosecutions of cannabis businesses acting in compliance with state law and cited law enforcement data sources to cast doubt on the effectiveness of state regulation to prevent unauthorized sales, black market activity, and negative public health outcomes.

On January 4, 2018, the U.S. Department of Justice rescinded the Cole Memorandum. Immediately thereafter, a bipartisan collection of members of the United States Congress and state officials pushed back on Attorney General Sessions' plan to rescind Obama-era guidance that has generally allowed states to implement their own marijuana laws without federal interference, including the Governor and Attorney General of Nevada, and members of Congress from the State of Nevada. However, in April 2018 while speaking to the U.S. Senate Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies, Attorney General Sessions told legislators that "there may well be some benefits from medical marijuana," and added that such benefits are "perfectly appropriate to study."

Despite the legal, regulatory, and political obstacles the marijuana industry currently faces, the industry has continued to grow.

(n) Regulation of Cannabis Industry in the United States - On-going Compliance Procedures

The Issuer will continue to review, with assistance from US counsel (from time to time and as necessary), the documents referenced above in order to confirm such information and identify any deficiencies.

(o) Regulation of Cannabis Industry in the United States - Cole Memorandum and Continued Review of Changes in Law

Pursuant to the Cole Memorandum, enforcement priorities are to: (i) prevent the distribution of marijuana to minors by using scanners to confirm each customer's legal age and the validity of each customer's driver's license; (ii) prevent revenue from marijuana from going to criminal enterprises, gangs, and cartels by conducting background checks on each owner of an licensee, employee, and/or prospective employee and by ensuring that all marijuana inventory and proceeds from the sale of such marijuana are property accounted for and tracked; (iii) prevent the diversion of marijuana from states where it is legal under state law in some form to other states by only dispensing marijuana through licensed dispensaries located in states where marijuana is legal under state law in some form and not dispensing any quantity of marijuana to a customer in excess of the legal limits under applicable state law (e.g., 2 ounces); (iv) prevent state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity by prohibiting the sale of any inventory other than marijuana inventory and accessories; (v) prevent violence and the use of firearms in the cultivation and distribution of marijuana by ensuring that marijuana inventory and/or proceeds from the sale of such inventory is monitored by video surveillance, prohibiting employees from bringing firearms on the premises, and ensuring that safes are used to store large amounts of proceeds from the sale of marijuana inventory; (vi) prevent drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use by prohibiting the consumption of marijuana on the premises, prohibiting the usage of harmful pesticides on marijuana inventory and testing marijuana inventory to confirm a lack of harmful pesticides and ideal cannabinoid levels; (vii) prevent the growing of marijuana on federal lands and the attendant public safety and environmental dangers posed by unregulated marijuana production on federal lands by only cultivating, possessing, or dispensing marijuana on private property with all requisite licenses and permits to cultivate, possess, and/or distribute marijuana on such private property; and (viii) prevent marijuana possession or use on federal property by only cultivating, possessing, and dispensing marijuana on private property with all requisite licenses and permits to cultivate, possess and/or distribute marijuana on such private property.

On January 4, 2018, the U.S. Department of Justice rescinded the Cole Memorandum.

The Issuer will continue to review, with assistance from US counsel (from time to time and as necessary), its procedures with respect to the Cole Memorandum in order to confirm if its operations are conducted in a manner consistent with the guidelines noted in the Cole Memorandum. Despite the rescission of the Cole Memorandum, the U.S. Department of Justice continues to have discretion to enforce federal drug laws.

In addition, the Issuer, with assistance from US and other professional advisors (from time to time an as necessary, regularly monitor the activities of the Trump Administration for evidence and/or indications of current or anticipated cannabis policy and guidance, and the Issuer governs its actions accordingly.

(p) Regulation of Cannabis Industry in the United States - Ability to Access Public and Private Capital

Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants.

Certain financial institutions in Canada and the U.S. will not allow companies who generate funds from the sale of cannabis and cannabis-related products to open bank accounts or process the transfer of funds from the sale of cannabis. Specifically, the federal illegality of marijuana in the U.S. means that financial transactions involving proceeds generated by marijuana-related conduct can form the basis for prosecution under the money laundering statutes (18 U.S.C. § 1956 and 1957), the unlicensed money transmitter statute (18 U.S.C. § 1960), and the BSA. Consequently, businesses involved in the marijuana industry often have difficulty finding a bank willing to accept their business. Banks who do accept deposits from marijuana-related businesses in the U.S. must do so in compliance with the Cole Financial Crime Memo which states that prosecutors should apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct and the FinCEN memo which provides guidelines to banks on how to accept deposits from marijuana-related businesses while remaining compliant with the BSA. The Financial Crime Enforcement Network has not rescinded the FinCEN Memo following the U.S. Department of Justice's January 4, 2018 announcement rescinding the Cole Memorandum.

4.2 Outstanding Asset-based Securities

This information is not applicable to the Issuer.

4.3 Mineral Projects

This information is not applicable to the Issuer.

4.4 Oil and Gas Operations

This information is not applicable to the Issuer.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following table provides a brief summary of the select consolidated financial information of the Issuer for the last three fiscal years, which should be read in conjunction with the Issuer's financial statements attached hereto as Schedules "A" and "B":

	Year ended April 30, 2018	**Year ended April 30, 2017**	**Year ended April 30, 2016**
Revenue	Nil	Nil	Nil
Net income (loss)	($20,269)	($72,280)	($19,889)
Net income (loss) per share (basic and diluted)	Nil	Nil	Nil
Total Assets	$73,551	$110,238	$168,780
Total Long-Term Liabilities	Nil	Nil	Nil

Note:
(1) Unaudited.

Upon completion of the Transaction and commencement of the Issuer's new business activities, a large majority of the Issuer's balance sheet and operating statements will be exposed to U.S. cannabis-related activities.

5.2 Quarterly Information

Quarterly financial information of the Issuer from the last eight quarters, sourced from the Issuer's interim financial statements (all of which can be found on SEDAR at www.sedar.com), is set out in the table below:

	Revenue	**Net income (loss)**	**Net income (loss) per share (basic and diluted)**
Quarter-ended April 30, 2018(1)	Nil	($10,488)	Nil
Quarter-ended January 31, 2018(1)	Nil	($3,121)	Nil
Quarter-ended October 31, 2017(1)	Nil	($2,720)	Nil
Quarter-ended July 31, 2017(1)	Nil	($4,094)	Nil
Quarter-ended April 30, 2017(1)	Nil	($15,739)	Nil
Quarter-ended January 31, 2017(1)	Nil	($12,936)	Nil
Quarter-ended October 31, 2016(1)	Nil	($39,872)	Nil
Quarter-ended July 31, 2016(1)	Nil	($3,733)	Nil

Note:

(1) Unaudited.

Upon completion of the Transaction and commencement of the Issuer's new business activities, a large majority of the Issuer's balance sheet and operating statements will be exposed to U.S. cannabis-related activities.

5.3 Dividends

The Issuer does not intend, and is not required, to pay any dividends on the Common Shares. Any decision to pay dividends will be made on the basis of the Issuer's earnings, financial requirements and other conditions existing from time to time. The Issuer's ability to pay dividends may be affected by U.S. state and federal regulations. See Section 17 – "*Risk Factors*" for more information.

5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Issuer shall be, prepared in accordance with IFRS.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Top Strike's annual Management's Discussion and Analysis (MD&A) for its most recent fiscal year ended April 30, 2018 has been posted and is accessible at www.sedar.com and is attached to this Listing Statement as Schedule "C". The MD&A for the fiscal year ended April 30, 2018 is specifically incorporated into and forms an integral part of this Listing Statement, and should be read in conjunction with the Issuer's financial statements and the notes thereto for the corresponding time period.

7. MARKET FOR SECURITIES

The Common Shares are currently listed on the NEX. The Issuer plans to delist the Common Shares from the NEX concurrently with completion of the Transaction and listing of the Common Shares on the CSE. The CSE has conditionally approved the listing of the Common Shares subject to the Issuer satisfying all conditions for listing.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Issuer after giving effect to the Transaction:

		Ownership	
Shareholders	**Shares**	**Basic**	**Fully Diluted**
Pre-Transaction	16,431,928	5.5%	3.7%
Insider Private Placement	30,000,000	10.1%	17.4%
Private Placement	250,000,000	84.3%	79.0%
Total	296,431,928	100.0%	100.0%
Warrants		**Exercise Price**	
Insider Warrants	30,000,000	$0.06	
PP Warrants	125,000,000	$0.09	
Total	155,000,000		
Options		**Exercise Price**	
Pre-Transaction Options	900,000	$ 0.10	
Transaction Options	22,400,000	$ 0.06	
Fully Diluted Shares	**474,731,928**		

Notes:

(1) Assumes aggregate shares and warrants issued from the Insider Private Placement of $1.5 million and the Private Placement of $15 million.
(2) The New Management team, together with additional subscribers identified by the New Management Team, are subscribing for the Insider Private Placement.
(3) Venexo, or its nominee(s), is subscribing for $1.0 million of the Private Placement.
(4) Does not include Common Shares from the Rights Offering afforded to the pre-Transaction shareholders.

9. OPTIONS TO PURCHASE SECURITIES

The Issuer adopted the Option Plan, on the terms set out below. The Option Plan was most recently approved by shareholders of Top Strike on December 8, 2016.

The following is a summary of certain provisions of the Option Plan, which is qualified in its entirety by the full text of the Option Plan, which is attached as Schedule "B" to the Issuer's management information circular dated November 9, 2016 available on SEDAR at www.sedar.com:

- subject to the terms of the Option Plan, Options may be granted in such numbers and with such vesting provisions as the Board may determine;
- the Board shall, at the time an Option is granted under the Option Plan, fix the exercise price at which Common Shares may be acquired upon the exercise of such Options provided that such exercise price shall not be less than the Discounted Market Price (as is defined in Policy 1.1 of the TSXV Corporate Finance Manual);
- the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, subject to any vesting restrictions imposed by the TSXV;

- Options may be granted for a maximum term of five (5) years;
- Options may only be transferred or assigned subject to the terms of the Option Plan;
- the maximum number of Common Shares reserved for issue under the Option Plan, together with any Common Shares reserved for issuance under any other share compensation arrangements, shall not exceed 10% of the outstanding Common Shares as at the date of the grant;
- the maximum number of Common Shares reserved for issue to any one Person under the Option Plan together with any Common Shares reserved for issuance under any other share compensation arrangements shall not exceed 5% of the outstanding Common Shares as at the date of the grant;
- the maximum number of Common Shares reserved for issue to a Consultant (as defined in Policy 4.4 of the TSXV Corporate Finance Manual) or a person engaged in Investor Relations Activities (as defined in Policy 1.1 of the TSXV Corporate Finance Manual) in any 12 month period shall not exceed 2% of the outstanding Common Shares as at the date of the grant;
- Options expire either: (i) within 90 days of (or 30 days with respect to a person engaged in Investor Relations Activities) of termination of employment or holding office as a director, officer, employee or consultant of the Issuer for any reason other than death or permanent disability; or (ii) for a "reasonable period" at the discretion of the Board;
- in case of death, Options expire on the earlier of one (1) year thereafter or the end of the period during which the Option may be exercised, and may be exercised by legal representatives or designated beneficiaries of the holder of such Options;
- the Issuer is permitted to make the required source withholdings and remittances in respect of employee stock option benefits as required under the *Income Tax Act* (Canada);
- the Board may suspend or terminate the Option Plan at any time; and
- the Board may, at any time, amend or revise the terms of the Option Plan, subject to the receipt of all necessary regulatory approvals, provided that no such amendment or revision shall alter the terms of any options granted under the Option Plan.

It is expected that, immediately following the completion of the Transaction, there will be no more than 900,000 Options issued and outstanding under the Option Plan. Following the Transaction, the Issuer plans to grant up to 22,400,000 Transaction Options to the New Management Team and employees of the Issuer. The Transaction Options will be exercisable at a price of $0.06 per Common Shares.

9.1 Issuer Compensation Options

The following table summarizes the Options issued and outstanding as of the date of this Listing Statement.

Category	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date
All executive officers and directors of the Issuer	900,000	0.10	January 6, 2020
All other employees of the Issuer	Nil	Nil	Nil
All consultants of the Issuer	Nil	Nil	Nil
Any other person	Nil	Nil	Nil
Total	**900,000**		

10. DESCRIPTION OF SECURITIES

10.1 General Description of Securities

The Issuer is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series.

As of the date of this Listing Statement, there were 16,431,928 Common Shares issued and outstanding. In addition, the Issuer has 900,000 Options issued or outstanding as at the date hereof, which are expected to be either surrendered or exercised in connection with the Transaction. There are no Preferred Shares issued or outstanding.

The holders of Common Shares are entitled to notice of and to vote at all meetings of shareholders, except for meetings of holder of another class of Common Shares, and are entitled to one vote per Common Share. Holders of Common Shares are entitled to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time, subject to the rights of holders of Preferred Shares or any other class of shares entitled to receive dividends in priority to or concurrently with the holders of the Common Shares. In the event of the liquidation, dissolution or winding up of the Issuer, or any other distribution of assets among its shareholders for the purpose of winding up its affairs, holders of Common Shares are entitled, subject to the preferences accorded to holders of Preferred Shares and of other shares ranking senior to the Common Shares from time to time with respect to a winding up, to share pro rata in the remaining property of the Issuer.

The Preferred Shares are issuable in one or more series and each series of the Preferred Shares will have such rights, restrictions, conditions and limitations as the Board of Directors may from time to time determine. Holders of Preferred Shares are entitled, in priority to the holders of Common Shares and the shares of any other class ranking junior to the Preferred Shares, to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time, to be paid ratably with the other holders of the Preferred Shares of the same series and every other series. In the event of the liquidation, dissolution or winding-up of the Issuer, or any other distribution of assets among its shareholders for the purpose of winding-up its affairs, holders of Preferred Shares are entitled, in priority to the holders of Common Shares and the shares of any other class ranking junior to the Preferred Shares, to share equally, share for share, in the property of the Issuer.

10.6 Miscellaneous Securities Provisions

None of the matters set out in Sections 10.2 to 10.6 of Form 2A are applicable to the share structure of the Issuer.

10.7 Prior Sales

Except for the Private Placement, Insider Private Placement and Rights Offering, no securities of the Issuer are to be sold or have been sold during the 12 months prior to the date of this Listing Statement.

10.8 Stock Exchange Price

Prior to listing on the CSE, the Common Shares were listed and posted for trading on the NEX under the symbol "TSR.H". The following table sets out trading information for the Common Shares for the periods indicated as reported by the NEX:

Period	High ($)	Low ($)	Trading Volume
Since September 1, 2018	Not applicable	Not applicable	Not applicable
Month-ended August 1, 2018	Not applicable	Not applicable	Not applicable
Month-ended July 30, 2018	Not applicable	Not applicable	Not applicable
Month-ended June 30, 2018	0.06	0.06	8,659
Month-ended May 31, 2018	0.06	0.06	1,238
Quarter-ended April 30, 2018	0.09	0.06	80,654
Quarter-ended January 31, 2018	0.14	0.06	490,104
Quarter-ended October 31, 2017	Not applicable	Not applicable	Not applicable
Quarter-ended July 31, 2017	Not applicable	Not applicable	Not applicable

Quarter-ended April 30, 2017	Not applicable	Not applicable	Not applicable
Quarter-ended January 31, 2017	0.45	0.085	706,633
Quarter-ended October 31, 2016	0.095	0.035	14,000

Note:

(1) Trading in the Common Shares has been halted since June 29, 2018, pending completion of the Transaction.

11. ESCROWED SECURITIES

None of the Issuer's securities are subject to any escrow requirements.

12. PRINCIPAL SHAREHOLDERS

Following completion of the Transaction, no persons will own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares.

13. DIRECTORS AND OFFICERS

13.1 Directors, Officers and Management of the Issuer

The following table sets out the name, municipality and province of residence, proposed position with the Issuer, current principal occupation, the date such person became a director or officer of the Issuer, and the number and percentage of Common Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Issuer's proposed directors and officers following the completion of the Transaction:

Name, City and Province of Residence, and Position with the Resulting Issuer(1)	Principal Occupation, Business or Employment for Previous Five Years(1)	Director or Officer Since	Anticipated Number and Percentage of Common Shares owned or controlled on completion of the Change of Business(1)(2)
David McGorman(3) Calgary, Alberta *Chief Executive Officer and Director*	Managing Director of Black Spruce Merchant Capital since September 2016. Prior thereto, Vice Chairman of Mackie Research Capital Corp. from December 2014 to June 2016, and President and Chief Executive Officer of Jennings Capital Inc. from April 2006 to December 2014.	N/A	4,000,000 (1.35%)
Jon Sharun(3) Vancouver, British Columbia *Executive Director and Director*	Chairman and Managing Partner of Venexo, independent private equity and advisory firm, since January 2011.	N/A	8,400,000 (2.83%)
Jason Ewasuik(3) Calgary, Alberta *Vice President, Originations*	Director of Venexo since January 2017. Prior thereto, a Trader for Auspice Capital Advisors ("**Auspice**") from October 2010 to December 2016.	N/A	300,000 (0.10%)
Mike Tanasichuck Edmonton, Alberta *Chief Financial Officer*	Director of Finance at Venexo since 2015; Director of Finance at Urban Sparq Hospitality, an Edmonton-based hospitality group, since February 2014. Prior thereto, Senior Accountant at Deloitte & Touche ("**Deloitte**") from January 2010 to	N/A	1,091,667 (0.37%)

Name, City and Province of Residence, and Position with the Resulting Issuer[(1)]	**Principal Occupation, Business or Employment for Previous Five Years[(1)]**	**Director or Officer Since**	**Anticipated Number and Percentage of Common Shares owned or controlled on completion of the Change of Business[(1)(2)]**
	February 2014.		
Sony Gill Calgary, Alberta *Corporate Secretary*	Partner in the Business Law Group in the Calgary office of the national law firm McCarthy Tétrault LLP.	N/A	3,000,000 (1.01%)
Matt Christopherson[(4)] Vancouver, British Columbia *Director*	Vice President, Business Development and Partner of Keirton Inc. ("**Keirton**"), a crop harvesting product development company; Co-Founder of SteviaOne Peru; Director of Humankind Holding Co. Ltd.; Director of Ruben's Shoes since March 2016; Certified Analyst at The Predictive Index since December 2016; and Member of TEC Canada since February 2016. Prior thereto, Mr. Christopherson worked in the Business Development department of Bloodline Design from 2011 to 2014.	N/A	500,000 (0.17%)
Alan Gertner[(4)] Toronto, Ontario *Director*	Chief Executive Officer of Hiku Brands Co. Ltd. ("**HIKU Brands**"), a cannabis branding company, since January 2018; Chief Executive Officer and Co-Founder of TS Brandco Holdings Inc. since 2015; Advisor at Lift Co. Ltd. ("**Lift**") since 2016; and Partner of rg2 & co. since May 2016. Prior thereto, Regional Head, Large Customer Sales at Google from May 2014 to 2015.	N/A	1,000,000 (0.34%)
Dr. Inbar Maymon-Pomeranchick Sgula, Israel *Director*	Founder and Biotech Investment Consultant at BioDiligence Partners Inc., a scientific evaluation and due diligence service company, since October 2016; Director of Ananda Development Plc since June 2018; Member of the Advisory Board of iaso corporation since November 2017; and Consultant for LatinoameriCANNA since June 2017. Prior thereto, a researcher at Morflora Israel Ltd.	N/A	0 (0%)
W. Scott McGregor[(4)] Calgary, Alberta *Director*	Executive Vice President of Merrco Payments Inc., a payment services company, since March 2017. Prior thereto, Managing Director of Mackie Research Capital Corp. from January 2015 to March 2016, and Director of Blackhawk Resources Corp. from February 2014 to May 2015.	N/A	600,000 (0.20%)

Notes:

(1) The information as to the Province and Country of residence and principal occupation, not being within the knowledge of the Issuer, has been furnished by the respective directors or officers individually as of August 2018. The amount of shares beneficially owned is estimated as of the completion of the Transaction.
(2) Based on 296,431,928 Common Shares being outstanding on completion of the Transaction.
(3) Member of the Investment Committee.
(4) Member of the Audit Committee.

At the completion of the Transaction, it is anticipated that the directors and officers of the Issuer, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 20,700,000 Common Shares, representing approximately 7.0% of the issued and outstanding Common Shares on an undiluted basis. Each director's term of office shall expire at the next annual meeting of the Issuer shareholders unless re-elected at such meeting.

None of the directors or officers listed above have entered into non-competition or non-disclosure agreements with the Issuer or proposes to enter into such an agreement with the Issuer.

The following biographies provide certain selected information in respect of the persons who will be serving as directors and officers of the Issuer upon completion of the Transaction:

David McGorman – Chief Executive Officer & Director (Full-Time)

Mr. McGorman, age 59, has 25 years of experience in the financial services industry with a wide range of transaction experience. He has participated in over $12 billion in transaction value; including private and public equity issues, debt placements, including M&A advisory and restructuring assignments. Mr. McGorman started his finance career in Toronto at a U.S. bulge bracket bank. Mr. McGorman has had senior positions at Raymond James Ltd., Haywood Securities Inc., and Jennings Capital Inc. where he eventually became President and Chief Executive Officer. David is currently Managing Director of Black Spruce Merchant Capital ("**Black Spruce**"); a Calgary based merchant bank advisory firm. Mr. McGorman has a Bachelor of Science majoring in Physics (Hons) and an MBA from McMaster University. Mr. McGorman will be an employee of the Issuer on a full-time basis and will be responsible for the overall direction and strategy of the Issuer, including leading the Issuer's investment strategy, participating on the Investment Committee, and being a liaison with the Board and capital markets.

Jon Sharun – Executive Director & Director (Part-Time)

Mr. Sharun, age 36, has 18 diverse years of international investment, real estate, branding and business development experience and is a forty under 40 winner. Jon is Founder and Managing Partner of Venexo, a boutique private equity firm that has raised in excess of $100 million in healthcare, hospitality and real estate. Venexo has been an early investor into the medical marijuana sector; such as Aurora Cannabis Inc., Friday Night Inc., The Green Organic Dutchman Holdings Ltd., and Emblem Corp. Mr. Sharun's prior achievements include winning $1.7 billion in projects while at Colliers International, re-launching the Kokanee beer brand in Western Canada, and the expansion of The Pint Public House across Canada. Mr. Sharun sits on the Honorary Governor's Council of the Vancouver Foundation, past Chairman of Hastings Crossing BIA and is an active public speaker at events such as the World Entrepreneur Forum. Mr. Sharun is a CPA and has a MBA from the UBC Sauder School of Business. Mr. Sharun will be an employee of the Issuer on a part-time basis and will be responsible for assisting in sourcing investment opportunities, supporting the due diligence process, and participating on the Investment Committee.

Jason Ewasuik – Vice President, Originations (Full-Time)

Mr. Ewasuik, age 31, has over 10 years of global financial market and trading experience. Mr. Ewasuik brings capital markets and acquisition expertise – sourcing, structuring, financing and managing investment opportunities. Currently he leads Venexo's cannabis efforts as Director of

Healthcare where Venexo has placed its private capital in over 20 cannabis initiatives. Previously Mr. Ewasuik was Director of Trading at Auspice, a quantitative and systematic investment fund. He oversaw trading operations in over 50 derivative markets managing over $2 billion in market exposure. Mr. Ewasuik graduated with a Bachelor of Applied Business majoring in Finance (Hons). Mr. Ewauik will be an employee of the Issuer on a full-time basis and will be responsible for assisting on sourcing investment opportunities, leading the due diligence process, and participating on the Investment Committee.

Mike Tanasichuck – Chief Financial Officer (Full-Time)

Mr. Tanasichuck, age 34, joined Venexo in 2015 as Director of Finance with the responsibility of evaluating acquisitions, conducting due diligence, and managing portfolio companies. Previously, Mr. Tanasichuck was a Chartered Accountant at Deloitte where he provided financial advisory, tax, and audit services within Deloitte's Private Company Service line. Mr. Tanasichuck has a B.Comm from Grant MacEwan University. Mr. Tanasichuck will be an employee of the Issuer on a full-time basis and will be responsible for managing the Issuer's finances, including financial planning, management of financial risks, record-keeping, and financial reporting. Mr. Tanasichuck will report directly to the Chief Executive Officer and the Board.

Sony Gill – Corporate Secretary (Part-Time)

Mr. Gill, age 42, is a partner in the Business Law Group in the Calgary office of the national law firm McCarthy Tétrault LLP. Mr.Gill has dealt with all aspects of a public and private company's creation, growth, restructuring and value maximization. Mr.Gill has extensive experience in the negotiation, structuring and consummation of a broad range of corporate finance, securities and mergers and acquisitions. He serves on the board of directors of, and acts as corporate secretary to, numerous public and private companies. Mr. Gill was acknowledged as a Top 40 Under 40 by Lexpert. Mr. Gill is a member of the Law Society of Alberta. Mr. Gill will act as an independent consultant of the Issuer on a part-time basis and will provide the Issuer with legal advice and guidance.

Matthew Christopherson – Director (Part-Time)

Mr. Christopherson is a founder and is the Vice President of Business Development at Keirton. With over a decade of experience in the cannabis industry, Keirton has made a name for itself providing growers with the world's fastest and most dependable medical cannabis harvesting machines. Twister Trimmer™ is the most recognized and widely used harvesting solution, not only in Canada, but internationally. Mr. Christopherson is a co-founder of Lift. Lift is home to Canada's largest database of comprehensive medical marijuana reviews left by real patients. Mr. Christopherson is also a director of a non-profit organization, Ruben's Shoes.

Alan Gertner – Director (Part-Time)

Mr. Gertner is the Chief Executive Officer of HIKU Brands and co-founder of Tokyo Smoke, an award-winning, internationally recognized, cannabis brand with a cross country network of retail stores. Prior to taking the reins of HIKU Brands and founding Tokyo Smoke, he led a plus $100 million organization at Google in Asia and was a founding member of Google's first Global Business Strategy team while based in Mountain View, California. Mr. Gertner graduated Dean's list from the Richard Ivey School of Business with a Honors Business Administration (HBA) degree.

Dr. Inbar Maymon- Pomeranchick – Director (Part-Time)

Dr. Inbar Maymon-Pomeranchik, is a scientist and Biotech Investment Consultant Expert, specializing in Life Science, Biotech, Ag-tech and a particular expertise in the global medical cannabis industry. Dr. Maymon-Pomeranchick brings more than 15 years of experience in molecular & genetic research and as a R&D researcher and project leader in the Biotech industry in large, small and start-up technology corporates. Dr. Maymon-Pomeranchick is often seen speaking at global conferences, sharing her knowledge and insights, and exposing investors to various global opportunities. Dr. Maymon-Pomeranchick has a PhD in Plant Science from the Hebrew University and a post doctorate in Structural Biology (Plant Science) from Weizmann Institute of Science.

W. Scott McGregor – Director (Part-Time)

Mr. McGregor is a senior investment banking professional with over twenty years of energy and corporate finance experience complemented by undergraduate and master's degrees from two of Canada's highly respected universities. Most recently Mr. McGregor served as Executive Vice President and director of Merrco Payments Inc., a secure payment gateway that provides a fully customizable method to regulate a direct-to-consumer cannabis mail-order system in Canada. Previously Mr. McGregor was Managing Director of Investment banking at Mackie Research. Mr. McGregor has a B.A. from Queens University and an M.B.A. from Rotman School of Management.

13.2 Committees of the Board of Directors

Directors will be appointed to the Compensation Committee and the Corporate Governance and Nominating Committee in accordance with regulatory guidelines. The composition and mandate of such committees will be determined by the Board.

Following completion of the Transaction, it is anticipated that the Audit Committee will be comprised of 3 directors as follows: Mr. Matthew Christopherson, Mr. Alan Gertner, and Mr. Scott McGregor. All members of the Audit Committee are "**independent**", as such term is defined within the meaning of NI 52-110. Each proposed member of the Audit Committee is also "financially literate", as such term is defined within the meaning of NI 52-110, and possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members.

It is anticipated that the Compensation and Corporate Governance Committee will be comprised of 3 directors as follows: Mr. Matthew Christopherson, Mr. Alan Gertner, and Mr. Scott McGregor. All members of the Compensation and Corporate Governance Committee are "**independent**", as such term is defined within the meaning of NI 52-110.

It is anticipated that the Risk Management Committee will comprised of 3 directors as follows: Mr. Dr. Inbar Maymon-Pomeranchick, Mr. Scott McGregor, and Jon Sharun. Dr. Inbar Maymon-Pomeranchick and Mr. Scott McGregor of the Risk Management Committee are "**independent**", as such term is defined within the meaning of NI 52-110.

13.3 Corporate Cease Trade Orders or Bankruptcies

None of the above directors or officers, or a securityholder anticipated to hold a sufficient number of securities of the Issuer to affect materially the control of the Issuer, within 10 years before the date of this Listing Statement, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity,

(1) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days;

(2) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(3) been subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

13.4 Penalties or Sanctions

No proposed director or officer of the Issuer, or a securityholder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, has:

(1) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(2) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

13.5 Personal Bankruptcies

No proposed director or officer of the Issuer, or a securityholder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons, has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or Promoter.

13.6 Conflicts of Interest

Certain of the proposed directors and officers of the Issuer are also directors, officers and/or promoters of other reporting and non-reporting issuers, which may give rise to conflicts of interest. In accordance with corporate laws, directors who have an interest in a contract or a proposed contract with the Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Issuer. Some of the proposed directors of the Issuer will have other employment or other business or time restrictions placed on them and accordingly, these proposed directors of the Issuer will only be able to devote part of their time to the affairs of the Issuer. In particular, certain of the directors and officers will be involved in managerial and/or director positions with other cannabis or investment companies whose operations may, from time to time, provide financing to, or make equity investments in, competitors of the Issuer. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA. As of the date hereof, the Issuer is not aware of any existing or potential material conflicts of interest between the Issuer and any current or proposed director or officer of the Issuer.

14. CAPITALIZATION

The following charts provide information with respect to the Common Shares assuming $15.0 million in subscriptions under the Private Placement and $1.5 million in subscriptions under the Insider Private Placement (the final amount being subject to actual participation in the Private Placement and Insider Private Placement):

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully-diluted**
Public Float Total Outstanding (A)	296,431,928	475,146,482	100.0	100.0
Held by Related Persons or employees of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	20,700,000	65,114,554	7.0	13.7
Total Public Float (A-B)	**275,731,928**	**410,031,928**	**93.0**	**86.3**
Freely-Tradeable Float Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	280,000,000	457,814,554	94.5	96.4
Total Tradeable Float (A-C)	**16,431,928**	**17,331,928**	**5.5**	**3.6**

Public Securityholders (Registered)

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	55	875
100 - 499 securities	18	4,316
500 - 999 securities	5	3,327
1,000 – 1,999 securities	4	5,660
2,000 – 2,999 securities	2	4,857
3,000 – 3,999 securities	1	3,564
4,000 – 4,999 securities	3	12,000
5,000 or more securities	23	6,170,907

Public Securityholders (Beneficial)[(1)]

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	273	4,980
100 - 499 securities	57	13,528
500 - 999 securities	15	9,686
1,000 – 1,999 securities	17	20,412
2,000 – 2,999 securities	6	12,720
3,000 – 3,999 securities	2	6,071
4,000 – 4,999 securities	5	20,501
5,000 or more securities	42	6,942,995
Unable to confirm	-	3,195,529

Note:

(1) The amounts included in this table are based on the Issuer's non-objecting beneficial owner's list. The Issuer will have other beneficial holders of its securities that it is not aware of.

Non-Public Securityholders (Registered)

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	0	0
100 - 499 securities	0	0
500 - 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	4	4,043,248

Convertible or Exchangeable Securities

Description of Security (conversion/exercise terms, including exercise price)	Number of convertible/exercisable securities outstanding	Number of listed securities issuable upon conversion/exercise
Warrants, each whole Warrant entitling the holder to purchase one Common Share at a price of $0.09 for a period of three years from the date of issuance of the	41,666,667 or 250,000,000 depending on the size of the Transaction.	41,666,667 or 250,000,000 depending on the size of the Transaction.

Warrants, provided that the Issuer may, after one year from the date of issuance of the Warrants, accelerate the expiry date of the Warrants subject to the average trading price of the Common Shares being equal to or exceeding $0.14 for any consecutive 20-day trading period following the first anniversary date of issuance of the Warrants.		
Insider Warrants, each whole Insider Warrant entitling the holder to purchase one Common Share at a price of $0.06 for a period of five years from the date of issuance of the Insider Warrants, provided that if the Common Shares are either: (i) listed on the facilities of a stock exchange other than the CSE; or (ii) acquired for cash or for the securities of a public company not listed on the facilities of the CSE, then each Insider Warrant shall be exercisable for two Common Shares at a price of $0.06 per Common Share.	30,000,000, assuming full $1.5 million participation in the Insider Private Placement.	30,000,000 or 60,000,000 depending on certain conditions governing the increase in Common Share entitlement per Insider Warrant.
Transaction Options issued pursuant to the Option Plan with an exercise price of $0.06 per Common Share.	10,383,221 or 43,714,554 depending on the size of the Transaction.	10,383,221 or 43,714,554 depending on the size of the Transaction.

15. EXECUTIVE COMPENSATION

The statement of executive compensation contained in this section relates only to the proposed executive compensation of the Issuer assuming completion of the Transaction. For the current executive compensation of the Issuer, see the "Statement of Executive Compensation" in Form 51-102F6 attached as Schedule "D" to this Listing Statement.

15.1 General

The anticipated compensation for each of the Issuer's three most highly compensated executive officers, in addition to the proposed Chief Executive Officer and Chief Financial Officer for the year ended April 30, 2019 is anticipated to be as follows:

Name and Principal Positions	Year	Salary ($)	Share-based Awards ($)	Option-based Awards[2] ($)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans	Non-Equity Incentive Plan Compensation: Long-Term Incentive Plans	Pension Value ($)	All Other Compensation ($)	Total Compensation[1] ($)
David McGorman, *Chief Executive Officer and a director*	2018	175,000	-	110,045	-	-	-	-	285,045
Jon Sharun *Executive Director and a director*	2018	75,000	-	110,045	-	-	-	-	185,045
Jason Euwasik *Vice President, Originations*	2018	75,000	-	44,018	-	-	-	-	119,018
Mike Tanasichuck, *Chief Financial Officer*	2018	75,000	-	13,755	-	-	-	-	88,755

Note:

(1) Executive compensation disclosed herein will be considered by the Compensation Committee of the Board, once constituted, and will be recommended to the Board for approval.

(2) The amounts disclosed herein for the option-based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: a grant price of $0.06, risk free interest rate of 2.5% and volatility of 40% for the Common Shares up to the grant date.

Incentive Plan Awards

Option-based awards

The Issuer will grant the Transaction Options upon completion of the Transaction. See Section 9 – "*Options to Purchase Securities*" for more information on proposed grants of options to directors and officers after Closing and a summary of the Option Plan.

Going forward, the Issuer will likely grant future option-based awards, being awards under the Stock Option Plan, including, for greater certainty, by granting Options to its directors, officers, employees and consultants. The timing, amounts, exercise price of these future option-based awards are not yet determined. See "*Special Note Regarding Forward-Looking Information*" for more information.

Pension Plan Benefits

During the 12 month period post-Closing, it is not expected that the Issuer will provide for defined benefit plans or defined contribution plans, being plans that provide for payments or benefits at, following, or in connection with retirement, or provide for deferred compensation plans. See "*Special Note Regarding Forward-Looking Information*" for more information.

Compensation of Directors

It is not expected that the Issuer's directors will have service contracts with respect to their roles as directors and be provided with cash remuneration for their service to the Issuer as directors. All directors are entitled to participate in the Option Plan. The timing, amounts, exercise price of these future option-based awards are not yet determined. See "*Special Note Regarding Forward-Looking Information*" for more information.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No existing or proposed director, executive officer or senior officer of the Issuer is currently indebted to the Issuer.

17. RISK FACTORS

In addition to the other information contained in this Listing Statement, investors should give careful consideration to the following, factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Listing Statement. If any of the following events described as risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Issuer would likely suffer, possibly materially. In that event, the market price of the Common Shares could decline and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may also impair or have a material adverse effect on the Issuer's operations. In addition to the risks described elsewhere and the other information contained in this Listing Statement, prospective investors should carefully consider each of and the cumulative effect of all of the following risk factors. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

17.1 Description of Risk Factors

Completion of the Transaction and Exchange Approvals

There can be no assurances that the Transaction will be completed as proposed or at all. There is no guarantee that the Issuer will be able to satisfy the requirements of the TSXV regarding voluntary delisting and of the CSE regarding listing.

U.S. Federal Regulation

The Issuer is currently aware of 30 states of the United States plus the District of Columbia, Puerto Rico and Guam that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Many other states are considering similar legislation. Conversely, under the CSA, the policies and regulations of the Federal government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. Unless and until Congress amends the CSA with respect to medical marijuana, as to the timing or scope of any such potential amendments there can be no assurance, there is a risk that federal authorities may enforce current federal law, and the Issuer may be deemed to be producing, cultivating or dispensing marijuana in violation of federal law or the Issuer may be deemed to be facilitating the selling or distribution of drug paraphernalia in violation of federal law with respect to our current or proposed business operations. Active enforcement of the current federal regulatory position on cannabis may thus indirectly and adversely affect the Issuer's future cash flows, earnings, results of operations and financial condition. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings and stated federal policy remains uncertain.

Variation in Regulation

Individual state laws do not always conform to the federal standard or to other states' laws. A number of states have decriminalized marijuana to varying degrees, other states have created exemptions specifically for medical cannabis, and several have both decriminalized or created medical marijuana exemptions. Several states have legalized the recreational use of cannabis. Variations exist among states that have legalized, decriminalized or created medical marijuana exemptions. For example, Alaska and Colorado have limits on the number of marijuana plants that can be home grown. In most states, the cultivation of marijuana for personal use continues to be prohibited except for those states that allow small-scale cultivation by the individual in possession of medical marijuana needing care or that person's caregiver. Active enforcement of state laws that prohibit personal cultivation of marijuana may indirectly and adversely affect the Issuer's future cash flows, earnings, results of operations and financial condition.

Marijuana Remains Illegal Under United States Federal Law

Marijuana is categorized as a Schedule I controlled substance under the CSA and, as such, is illegal under U.S. federal law. 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 accepted 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. Even in those states in which the use of marijuana has been legalized, its use remains a violation of U.S. federal law.

Although the Issuer's activities will be in compliance with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Issuer of liability under United States federal law, nor may it provide a defence to any federal proceeding which may be brought against the Issuer. Any such proceedings brought against the Issuer may adversely affect the Issuer's operations and financial performance.

There is uncertainty surrounding the Trump administration and Attorney General Jeff Sessions and their influence and policies in opposition to the cannabis industry as a whole

As a result of the conflicting views between state legislatures and the United States federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authorized the Cole Memorandum addressed to all United States district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several US states have enacted laws relating to cannabis for medical purposes. The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offences. 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.

However, on January 4, 2018, Jeff Sessions, the current United States Attorney General, issued the Sessions Memorandum to all United States district attorneys, which rescinded the Cole Memorandum in its entirety. The Sessions Memorandum provided that in deciding which marijuana activities to prosecute under United States federal laws, prosecutors should follow the same principles that govern all federal prosecutions. Since the release of the Sessions Memorandum, the basis for interpreting how to treat state legalized cannabis is uncertain, the risk of how each state will treat the prosecution of cannabis-related activities may vary based on the district attorney for the applicable state. Further, even if a state in which the Issuer operates or holds assets permits cannabis-related activities, the United States district attorney can determine that such activities are in contravention of United States federal law and initiate prosecution against the Issuer.

There is no certainty as to how the Department of Justice, Federal Bureau of Investigation and other government agencies will handle cannabis matters in the future. There can be no assurance that the Trump administration would not change the current enforcement policy and decide to strongly enforce federal laws. The Issuer regularly monitors ongoing developments in this regard.

Violations of any laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the 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 the Issuer, including its reputation and activity to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, its operating results, and profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Issuer to estimate the time or resources that would be needed for the investigation of any such matters or the final resolution of such matters 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.

As a company listed on the CSE, the Issuer will be able to access the Canadian capital markets on a public and private basis, and any capital raised may be utilized for the ongoing operations of its United States holdings that operate in the cannabis industry. There is no assurance that the Issuer will be successful, in whole or in part, in raising funds, particularly if the United States federal authorities change their position toward enforcing the CSA. Further, access to funding from residents of the United States may be limited due to their unwillingness to be associated with activities that violate United States federal laws.

Change of Cannabis Laws

Local, state and federal medical marijuana laws and regulations in the United States are broad in scope and subject to evolving interpretations, which could require the Issuer to incur substantial costs associated with compliance or alter certain aspects of its business plan. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Issuer's business plan and result in a material adverse effect on certain aspects of the Issuer's planned operations. In addition, it is possible that regulations may be enacted in the future that will be directly applicable to certain aspects of the Issuer's marijuana business. The

Issuer cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what affect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the Issuer's business.

Risks Specifically Related to the United States Regulatory System

The Issuer's investments operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks. The Issuer's investments incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Issuer's investments and, therefore, on the Issuer's prospective returns.

Further, the Issuer may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on the Issuer's financial statements could also occur for the period in which the effect of an unfavourable outcome becomes probable and reasonably estimable.

The cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Issuer's investments and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Issuer's earnings on investments and could make future capital investments or the Issuer's investments' operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants in the industry such as the Issuer and which cannot be readily predicted.

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

The Issuer is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial record keeping and proceeds of crime, including the BSA, 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.

The Issuer's investments and any proceeds thereof may be considered proceeds of crime since cannabis remains illegal federally in the United States. This restricts the ability of the Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Issuer has no current intention to declare or pay dividends on its shares in the foreseeable future, the Issuer may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

The Issuer may have difficulty accessing the services of banks and processing credit card payments in the future, which may make it difficult to operate

In February 2014, the FinCEN Memo provided guidance (which is not law) to banks seeking to provide services to cannabis-related businesses, including burdensome due diligence expectations and reporting requirements. The FinCEN 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. However, it appears that most banks and other financial institutions do not feel comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which could be revoked at any time by the Trump administration. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Issuer's U.S. investments may have limited or no access to banking or other financial services in the U.S., and may have to operate the their businesses on a cash-only basis. The inability or any limitations on the ability of the Issuer's investments to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments, may make it difficult for the Issuer's investments to operate and conduct its business as planned.

The Issuer's Investments in the United States May Be Subject to Heightened Scrutiny

The Issuer's future interests in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies or other authorities in Canada. As a result, the Issuer 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 the Issuer's ability to invest in the United States or any other jurisdiction.

Given the heightened risk profile associated with cannabis in the United States, it was previously reported by certain publications in Canada that the Canadian Depository for Securities Limited may implement policies that would see its subsidiary, CDS, refuse to settle trades for cannabis issuers that have investments in the United States. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of the TMX MOU. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, the Common Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of Common Shares through the facilities of a stock exchange.

Limited Operating History

The Issuer has, and its future investments may have, varying and limited operating histories, which can make it difficult for investors to evaluate the Issuer's operations and prospects and may increase the risks associated with investment into the Issuer.

The Issuer has not generated significant profits or revenues in the periods covered by its financial statements included herein, and, as a result, has only a very limited operating history upon which its business and future prospects may be evaluated. Many of the Issuer's future investments will only start generating revenues in future periods and accordingly, the Issuer is therefore expected to remain subject to many of the risks common to early-stage enterprises for the foreseeable future, including challenges related to laws, regulations, licensing, integrating and retaining qualified employees; making effective use of limited resources; achieving market acceptance of existing and future solutions; competing against companies with greater financial and technical resources; acquiring and retaining customers; and developing new solutions. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Difficulty Implementing Business Strategy

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

Operational Risks

The Issuer will be affected by a number of operational risks and may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws or regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties, grow facilities and extraction facilities of the Issuer's investments, personal injury or death, environmental damage, adverse impacts on the operations of the Issuer's investments, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Issuer's future cash flows, earnings and financial condition. The Issuer may also be subject to or affected by liability or sustain loss for certain risks and hazards against which the Issuer cannot insure or which the Issuer may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Issuer's future cash flow, earnings, results of operations and financial condition.

Investments May be Pre-Revenue

The Issuer may make investments in entities that have no significant sources of operating cash flow and no revenue from operations. As such, the Issuer's investments will be subject to risks and uncertainties that new companies with no operating history may face. In particular, there is a risk that the Issuer's investments will not be able to:

- implement or execute their current business plan, or create a business plan that is sound;

- maintain their anticipated management team; and/or
- raise sufficient funds in the capital markets or otherwise to effectuate their business plan.

If the Issuer's investments cannot execute any one of the foregoing, their businesses may fail, which could have a materially adverse impact on the business, financial condition and operating results of the Issuer.

Operation Permits and Authorizations

The Issuer's investments may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate their respective businesses. In addition, the Issuer's investments may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on an investment's ability to operate in the cannabis industry, which could have a material adverse effect on the Issuer's business.

Product Liability

It is expected that the Issuer's investments will manufacture, process and/or distribute products designed to be ingested by humans, and therefore face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury. In addition, previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against an investment entity of the Issuer could result in increased costs, could adversely affect the Issuer's reputation, and could have a material adverse effect on the results of operations and financial condition of the Issuer.

Reliance on Key Inputs

The cultivation, extraction and processing of cannabis and derivative products is dependent on a number of key inputs and their related costs including raw materials, electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Issuer's investments. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the relevant investment entity might be unable to find a replacement for such source in a timely manner or at all. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of an investment, and consequently, the Issuer.

Intellectual Property

The success of the Issuer will depend, in part, on the ability of the Issuer's investments to maintain and enhance trade secret protection over the various existing and potential proprietary techniques and processes of the Issuer's investments. The Issuer's investments may be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Issuer's investments. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

In addition, other parties may claim that an investment's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages.

Lack of Control Over Operations of Investments

The Issuer will rely on its investments to execute on their business plans and produce medical and/or recreational cannabis products, and may hold contractual rights and minority equity interest relating to the operation of the Issuer's investments. The operators of the Issuer's investments will still have significant influence over the results of operations of the Issuer's investments. Further, the interests of the Issuer and the operators of the Issuer's investments may not always be aligned. As a result, the cash flows of the Issuer will be dependent upon the activities of third parties which creates the risk that at any time those third parties may: (i) have business interests or targets that are inconsistent with those of the Issuer; (ii) take action contrary to the Issuer's policies or objectives; (iii) be unable or unwilling to fulfill their obligations under their agreements with the Issuer; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend a third party's ability to perform its obligations. In addition, payments may flow through the Issuer's investments, and there is a risk of delay and additional expense in receiving such revenues. Failure to receive payments in a timely fashion, or at all, under the agreements to which the Issuer is entitled may have a material adverse effect on the Issuer. In addition, the Issuer must rely, in part, on the accuracy and timeliness of the information it receives from the Issuer's investments, and uses such information in its analyses, forecasts and assessments relating to its own business. If the information provided by investment entities to the Issuer contains material inaccuracies or omissions, the Issuer's ability to accurately forecast or achieve its stated objectives, or satisfy its reporting obligations, may be materially impaired.

Private Companies and Illiquid Securities

The Issuer may invest in securities of private companies. In some cases, the Issuer may be restricted by contract or generally by applicable securities laws from selling such securities for a period of time. Such securities may not have a ready market and the inability to sell such securities or to sell such securities on a timely basis or at acceptable prices may impair the Issuer's ability to exit such investments when the Issuer considers it appropriate.

Risks Associated with Investments

As part of the Issuer's overall business strategy, the Issuer intends to pursue select strategic investments, which would provide product offering diversification and a stronger industry presence in both existing and new jurisdictions. While the Issuer intends to conduct reasonable due diligence in connection with such strategic investments, there are risks inherent in any investment. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Issuer is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Issuer's financial performance and results of operations. The Issuer could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from the investment. All of these factors could cause dilution to the Issuer's earnings per share or decrease or delay the anticipated accretive effect of the investment and cause a decrease in the market price of the Common Shares.

Passive Foreign Investment Company

There is a risk that the Issuer may, in the future, be construed as a PFIC. If the Issuer is a passive foreign investment company, its shareholders in the U.S. are likely subject to adverse U.S. tax consequences. Under U.S. federal income tax laws, if a company is a PFIC for any year, it could have adverse U.S. federal income tax consequences to a U.S. shareholder with respect to its investment in the Issuer's shares. The Issuer plans to earn significant investment and royalty revenue which may be treated as passive income unless the investment and royalty revenue is derived in the active conduct of a trade or business. Assessing whether investment or royalty revenue received by the Issuer is derived in the active conduct of a trade or business involves substantial factual and legal ambiguity. Based on current business plans and financial expectations, the Issuer expects that it will not be a PFIC for its current tax year. PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question, and is determined annually. Furthermore, because PFIC determinations are made annually, it is possible that the Issuer will meet the requirements to be treated as a PFIC in one or more years, but not meet such requirements in other years. U.S. shareholders should consult their own tax advisors regarding the potential adverse tax consequences to owning PFIC stock, and whether they are able to and should make any elections or take other actions to mitigate such potential adverse tax consequences.

If the Issuer is deemed to be an investment company under the Investment Company Act, it may be required to institute burdensome compliance requirements and its activities may be restricted. The Issuer intends to conduct its operations so that it is not required to register as an investment company under the Investment Company Act. Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40.0% of the value of the issuer's total assets (exclusive of government securities and cash items) on an unconsolidated basis. However, any issuer primarily engaged, directly or through a wholly-owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities is exempt from the requirements of the Investment Company Act under Section 3(b)(1). The Issuer's business model consists of making investments in a broad portfolio of cannabis-related assets and, in some cases, taking minority stakes in business ventures, which may have resembled certain aspects of an investment company within the definition of the Investment Company Act. However, the Issuer plans to build a mix of strategic investments in operations and brands, with the intent of its business to evolve towards controlled holdings and as such will not be an investment company. As a result, the Issuer believes that it is not "primarily engaged" in the business of investing, reinvesting, owning, holding or trading in securities and thus qualifies for the exemption under Section 3(b)(1) of the Investment Company Act. Nevertheless, the Issuer's future investments, including those in minority companies, may leave it vulnerable to being classified as an investment company. If the Issuer is deemed to be an investment company under the Investment Company Act, its activities may be restricted, including restrictions on the nature of the Issuer's investments and restrictions on the issuance of securities. In addition, the Issuer may have imposed upon it burdensome requirements, including:

- registration as an investment company;

- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations.

In sum, if the Issuer were to be characterized as an investment company, the inability of the Issuer to satisfy such regulatory requirements, whether on a timely basis or at all, could, under certain circumstances, have a material adverse effect on the Issuer and its ability to continue pursuing its business plan could be limited.

Bankruptcy or Insolvency of Investments

There is no guarantee that the Issuer will be able to effectively enforce any interests it may have in the Issuer's investments. A bankruptcy or other similar event related to an investment of the Issuer that precludes a party from performing its obligations under an agreement may have a material adverse effect on the Issuer. Further, as an equity investor, should an investment have insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities owed to the Issuer. In addition, bankruptcy or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on the Issuer.

Competition

The Issuer will compete with other companies for financing and investment opportunities in the cannabis industry. Some of these companies may possess greater financial resources than the Issuer. Such competition may result in the Issuer being unable to enter into desirable strategic agreements or similar transactions, to recruit or retain qualified employees or to acquire the capital necessary to fund its investments. Existing or future competition in the cannabis industry, including, without limitation, the entry of large multinational entities into the industry, could materially adversely affect the Issuer's prospects for entering into additional agreements in the future. In addition, the Issuer will immediately compete with other cannabis investment companies, some of which may possess greater financial resources than the Issuer.

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Issuer. Increased competition by larger and better financed competitors, including competitors to the Issuer's investments, could materially and adversely affect the business, financial condition and results of operations of the Issuer.

It is possible that larger competitors could establish price setting and cost controls which would effectively "price out" certain of the Issuer's investments operating within and in support of the medical and recreational cannabis industry.

Because of the early stage of the industry in which the Issuer will operate, the Issuer expects to face additional competition from new entrants. To become and remain competitive, the Issuer will require research and development, marketing, sales and support. The Issuer may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis, which could materially and adversely affect the business, financial condition and results of operations of the Issuer.

Public Perception of the Issuer's Industry

Public opinion may result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limited the number of new state jurisdictions into which the Issuer could expand. Any limits on future expansion may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Political and Other Risks in Emerging Markets.

The Issue may make investments in various emerging markets in the future. Such investments expose the Issuer to the socioeconomic conditions as well as the laws governing the cannabis industry in such countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates; military repression; war or civil war; social and labor unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licenses, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favor or require us to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in cannabis industry or investment policies or shifts in political attitude in the countries in which the Issuer may invest may adversely affect the Issuer's profitability. Operations of the Issuer's investments may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licenses, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Generally, expansion by the Issuer into other geographic areas could increase regulatory, compliance, reputational and foreign exchange rate risks.

Reliance on Management

The success of the Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of the New Management Team. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Qualified individuals are in high demand, and the Issuer may incur significant costs to attract and retain them. In addition, the Issuer's lean management structure may be strained as the Issuer pursues growth opportunities in the future. The loss of the services of such individuals or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Issuer's ability to execute on its business plan and strategy, and the Issuer may be unable to find adequate replacements on a timely basis, or at all.

The Issuer's future success depends substantially on the continued services of its executive officers, its key research and development personnel and its key growth and extraction personnel. If one or more of its executive officers or key personnel were unable or unwilling to continue in their present positions, the Issuer might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Issuer may lose know-how, key professionals and staff members. These executive officers and key employees could compete with the Issuer, which could have a material adverse effect on the Issuer.

Conflicts of Interest

Certain of the Issuer's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in, among other things, corporations, partnerships, joint ventures, that may become potential competitors of the technologies, products and services the Issuer's investments intend to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Issuer's interests. In accordance with applicable corporate law, directors who have a material interest in or who are parties to a material contract or a proposed material contract with the Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the transaction. In addition, the directors and officers are required to act honestly and in good faith with a view to the Issuer's best interests. However, in conflict of interest situations, the Issuer's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Issuer. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Issuer.

State and local laws and regulations may heavily regulate brands and forms of cannabis products and there is no guarantee that the Issuer's investments' proposed brands and products will be approved for sale and distribution in any state

States generally only allow the manufacture, sale and distribution of cannabis products that are grown in that state and may require advance notice of such products. Certain states and local jurisdictions have promulgated certain requirements for approved cannabis products based on the form of the product and the concentration of the various cannabinoids in the product. While the Issuer intends to invest in companies that follow the guidelines and regulations of each applicable state and local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any state or local jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise.

Liability, Enforcement, Complaints, etc.

The Issuer's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against the Issuer or its investments. Litigation, complaints, and enforcement actions involving either the Issuer or its investments could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Issuer's future cash flows, earnings, results of operations and financial condition.

Banking

Since the production and possession of cannabis is currently illegal under U.S. federal law, it is possible that banks may refuse to open bank accounts for the deposit of funds from businesses involved with the cannabis industry. The inability to open bank accounts with certain institutions could materially and adversely affect the business of the Issuer and its investments.

Resale of Shares

Although the Common Shares will be listed on the CSE, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Issuer. In addition, there can be no assurance that the publicly-traded stock price of the Issuer will be high enough to create a positive return for investors. Further, there can be no assurance that the Common Shares will be sufficiently liquid so as to permit investors to sell their position in the Issuer without adversely affecting the stock price. In such event, the probability of resale of the Common Shares would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the shares of the Issuer will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of the Issuer's shares will be affected by such volatility. An active public market for the Issuer's shares might not develop or be sustained after the completion of the Listing. If an active public market for the Issuer's shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Additional Financing

The Issuer may require equity and/or debt financing to undertake capital expenditures or to undertake investments, acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Issuer when needed or on terms that are commercially viable. The Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Issuer to obtain additional capital and to pursue business opportunities, including potential investments.

Dividends

The Issuer has not paid dividends in the past, and the Issuer does not anticipate paying any dividends in the foreseeable future. Dividends paid by the Issuer would be subject to tax and, potentially, withholdings.

Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant. As a result, investors may not receive any return on an investment in the Common Shares unless they sell their shares of the Issuer for a price greater than that which such investors paid for them.

Potential future acquisitions and/or strategic alliances may have an adverse effect on the Issuer's ability to manage its business

The Issuer may acquire technologies, businesses or assets that are complementary to its business and/or strategic alliances in order to leverage its position in the marijuana medical, retail, extraction and distribution market. Future acquisitions or strategic alliances would expose the Issuer to potential risks, including risks associated with the integration of new technologies, businesses and personnel, unforeseen or hidden liabilities, the diversion of management attention and resources from its existing business, and the inability to generate sufficient revenues to offset the costs and expenses of acquisitions or strategic alliances. Any difficulties encountered in the acquisition and strategic alliance process may have an adverse effect on the Issuer's ability to manage its business.

Management of Growth

The Issuer may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Issuer's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

General Economic Trends

The worldwide economic slowdown and tightening of credit in the financial markets may impact the business of the Issuer's investments, which could have an adverse effect on the Issuer's business, financial condition, or results of operations. Adverse changes in general economic or political conditions in the United States or and states within the United States could adversely affect the Issuer's business, financial condition, or results of operations.

Asset Location and Legal Proceedings

Substantially all of the Issuer's assets are anticipated to be located outside of Canada, and certain of its directors are resident outside of Canada, and their assets are outside of Canada. Serving process on those directors may prove to be difficult or excessively time consuming. Additionally, it may be difficult to enforce a judgment obtained in Canada against the Issuer, its subsidiaries and any directors and officers residing outside of Canada.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Issuer's security measures could misappropriate proprietary information or cause interruptions in its operations. The Issuer may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Tax Risk

The provisions of Internal Revenue Code section 280E are being applied by the IRS to businesses operating in the medical, retail, extraction and distribution marijuana industry. Section 280E provides:

No deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedule I and II of the CSA) which is prohibited by Federal law or the law of any State in which such trade or business is conducted.

Even though several states have medical and retail marijuana laws, the IRS is applying section 280E to deny business deductions. Businesses operating legally under state law argue that section 280E should not be applied because Congress did not intend the law to apply to businesses that are legal under state law. The IRS asserts that it was the intent of Congress to apply the provision to anyone "trafficking" in a controlled substance, as defined under Federal law (as stated in the text of the statute). This, section 280E is at the center of the conflict between Federal and state laws with respect to medical and retail marijuana which may apply to the business conducted by the Issuer's investments.

Currency Fluctuations

Due to the Issuer's anticipated investments in the United States, and its intention to continue invest outside of Canada, the Issuer is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of the Issuer's revenue will be earned in U.S. dollars, but operating expenses are incurred in both U.S. and Canadian dollars. The Issuer does not have currency hedging arrangements in place. Fluctuations in the exchange rate between the U.S. dollar and Canadian dollar may have a material adverse effect on the Issuer's business, financial condition and operating results. The Issuer may, in the future, establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Issuer develops a hedging program, there can be no assurance that it will effectively mitigate currency risks.

Forward-Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

18. PROMOTERS

This section is not applicable to the Issuer.

19. LEGAL PROCEEDINGS

There are no legal proceedings material to the Issuer to which the Issuer is, or has been, a party or of which any of its property is, or has been, the subject matter, and to the knowledge of the management of the Issuer, there are no such proceedings contemplated.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Listing Statement, no director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owners of, or who exercises control or direction over, more than 10% of any class of the Issuer's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer.

21. AUDITORS, TRANSFER AGENT AND REGISTRAR

21.1 Auditors

The auditor of the Issuer is K. R. Margetson Ltd., located at 210 – 905 West Pender Street, Vancouver, British Columbia V6C 1L6.

21.2 Transfer Agent and Registrar

The transfer agent and registrar of the Issuer is Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

22. MATERIAL CONTRACTS

The Issuer has not entered into any contracts within two years of the date hereof which are currently in effect and are considered to be currently material.

23. INTEREST OF EXPERTS

The audited financial statements of the Issuer for the fiscal years ended April 30, 2018, 2017 and 2016 described or included in this Filing Statement were audited by K. R. Margetson Ltd.

K. R. Margetson Ltd., does not beneficially own, directly or indirectly, any securities; nor does it have any interest in the property of the Issuer (on Closing). Moreover, none of the foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Issuer or its Associates or Affiliates.

K. R. Margetson Ltd., are the auditors of the Issuer and have confirmed that they are independent with respect to the Issuer within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulation.

Moreover, none of the foregoing Persons nor any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Issuer or its Associates or Affiliates (as such terms are defined in the Securities Act).

24. OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Issuer.

25. FINANCIAL STATEMENTS

See Schedules "A" and "B" of this Listing Statement for the audited financial statements of the Issuer for the financial years ending April 30, 2018, 2017 and 2016, respectively, for more information.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the Issuer hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

DATED at Calgary, Alberta, this 24th day of September, 2018.

(signed) “David McGorman”

Name: David McGorman
Title: Chief Executive Officer

(signed) “Scott McGregor”

Name: Scott McGregor
Title: Director

(signed) “Jon Sharun”

Name: Jon Sharun
Title: Executive Director

(signed) “Matthew Christopherson”

Name: Matthew Christopherson
Title: Director

SCHEDULE "A"
AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED APRIL 30, 2018 AND 2017

(*See Attached.*)

TOP STRIKE RESOURCES CORP.

Audited Financial Statements

Years ended April 30, 2018 and 2017

(Expressed in Canadian Dollars)

K. R. MARGETSON LTD.

Chartered Professional Accountant

210 – 905 West Pender Street
Vancouver, BC
V6C 1L6
Canada

Tel 604.220.7704
Fax: 1.855.603.3228

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Top Strike Resources Corp.:

I have audited the accompanying financial statements of Top Strike Resources Corp., which comprise the statements of financial position as at April 30, 2018 and April 30, 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended April 30, 2018 and 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Top Strike Resources Corp. as at April 30, 2018 and April 30, 2017 and its financial performance and its cash flows for the years ended April 30, 2018 and 2017 in accordance with International Financial Reporting Standards.

KR Margetson Ltd.

Chartered Professional Accountant

Vancouver, Canada
August 15, 2018

TOP STRIKE RESOURCES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes		April 30 2018		April 30 2017
ASSETS					
Current assets					
Cash and cash equivalents	**5**	**$**	**71,791**	$	108,810
Other receivables			**927**		595
Prepaids			**833**		833
			73,551		110,238
TOTAL ASSETS		**$**	**73,551**	$	110,238
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**9,143**	$	25,561
TOTAL LIABILIITES			**9,143**		25,561
SHAREHOLDERS' EQUITY					
Share capital	**6(b)**		**17,757,383**		17,757,383
Contributed surplus			**33,256**		33,256
Deficit			**(17,726,231)**		(17,705,962)
TOTAL SHAREHOLDERS' EQUITY			**64,408**		84,677
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**73,551**	$	110,238

Nature and continuance of operations (Note 1)

Subsequent event (Note 12)

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:

"David Safton"	Director	*"Dale Styner"*	Director
David Safton		**Dale Styner**	

TOP STRIKE RESOURCES CORP.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the years ended April 30	Notes		2018		2017
Expenses					
Office and miscellaneous		$	**241**	$	58
Travel			**-**		2,063
Professional fees			**11,042**		50,959
Corporate communication			**9,524**		20,275
			20,807		73,355
Other income					
Finance income			**538**		1,075
			538		1,075
Loss and comprehensive loss for the year		$	**20,269**	$	72,280
Loss per common share					
Basic and diluted	**6(e)**	$	**0.00**		0.00
Weighted average number of common shares outstanding					
Basic and diluted			**16,431,428**		16,431,428

The accompanying notes are an integral part of these financial statements.

TOP STRIKE RESOURCES CORP.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Shares outstanding		Share capital		Contributed surplus		Deficit		Total shareholders' equity
Balance at May 1, 2017	**16,431,428**	**$**	**17,757,383**	**$**	**33,256**	**$**	**(17,705,962)**	**$**	**84,677**
Loss and comprehensive loss for the year	-		-		-		**(20,269)**		**(20,269)**
Balance at April 30, 2018	**16,431,428**	**$**	**17,757,383**	**$**	**33,256**	**$**	**(17,726,231)**	**$**	**64,408**
Balance at May 1, 2016	16,431,428	$	17,757,383	$	33,256	$	(17,633,682)	$	156,967
Loss and comprehensive loss for the year	-		-		-		(72,280)		(72,280)
Balance at April 30, 2017	16,431,428	$	17,757,383	$	33,256	$	(17,705,962)	$	84,677

The accompanying notes are an integral part of these financial statements.

TOP STRIKE RESOURCES CORP.
Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended April 30	Notes		2018		2017
Operating activities					
Net loss for the year		**$**	**(20,269)**	$	(72,280)
Changes in non-cash working capital:					
Other receivables			**(332)**		421
Accounts payable and accrued liabilities			**(16,418)**		13,738
Net cash used in operating activities			**(37,019)**		(58,121)
Change in cash and cash equivalents for the year			**(37,019)**		(58,121)
Cash and cash equivalents, beginning of year			**108,810**		166,931
Cash and cash equivalents, end of year		**$**	**71,791**	**$**	**108,810**

Supplementary disclosures

Cash received during the year for interest	**$**	**126**	$	1,618
Cash paid during the year for interest	**$**	**-**	$	-
Cash paid during the year for income taxes	**$**	**-**	$	-

The accompanying notes are an integral part of these financial statements.

1. Nature and continuance of operations

Top Strike Resources Corp. (the "Company") currently has no activity and to date has not earned significant revenues. The Company has evaluated several oil and gas as well as other opportunities. The Company had previously focused on international and domestic oil and gas projects but has expanded its scope to consider other industries as well.

The Company trades under the symbol "TSR.H" on the NEX board, which is a separate board of the TSX Venture Exchange. The Company's principal place of business is located in Calgary, Alberta. The address of the Company's registered office is Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, T2P 0C1.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company had working capital of $64,408 as at April 30, 2018 (2017 - $84,677) and has not generated any revenues and has accumulated losses of $17,726,231 (2017 - $17,705,962). The Company has sufficient working capital to operate for the next twelve months and meet its financial obligations as they become due. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements were approved and authorized for issuance by the Board of Directors on August 15, 2018.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis.

c) Functional and presentation currency

The Company's presentation currency is Canadian dollars. The functional currency of the Company is Canadian dollars.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and cashable guaranteed investment certificates.

3. Significant accounting policies (continued)

b) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

c) Financial instruments

Financial assets and liabilities are classified as either financial assets or liabilities at fair value through profit and loss ("FVTPL"), loans and receivables, held to maturity investments, available for sale financial assets, or other liabilities, as appropriate. Financial assets and liabilities are recognized initially at fair value.

Subsequent measurement of financial instruments is based on their initial classification. FVTPL financial assets and liabilities are measured at fair value and changes in fair value are recognized in profit or loss. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive loss until the instrument is derecognized or impaired. The remaining categories of financial instruments are recognized at amortized cost using the effective interest rate method.

The transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability classified as FVTPL are expensed immediately. For a financial asset or financial liability carried at amortized cost, transaction costs directly attributable to acquiring or issuing the asset or liability are added to or deducted from the fair value on initial recognition and amortized through profit or loss income over the term of the financial instrument.

3. Significant accounting policies (continued)

(i) Non-derivative financial instruments

Cash and cash equivalents are classified as FVTPL. Other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

(ii) Derivative financial instruments

The Company may enter into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices. These instruments will not be used for trading or speculative purposes. The Company will not designate its financial derivative contracts as effective accounting hedges and therefore will not apply hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, all derivative contracts will be classified as FVTPL and will be recorded on the statement of financial position at fair value. Transaction costs will be recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives will be measured at fair value, and changes therein will be recognized immediately in profit or loss.

The Company may enter into physical delivery sales contracts for the purposes of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements as executory contracts. As such, these contracts are not considered to be derivative financial instruments and will not be recorded at fair value on the statement of financial position. Settlements on these physical delivery contracts will be recognized in petroleum and natural gas revenue in the period of settlement.

Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the valuation date. For financial instruments that have no active market, fair value is determined using valuation techniques including the use of recent arm's length market transactions, reference to the current market value of equivalent financial instruments and discounted cash flow analysis.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

d) Share-based compensation:

The Company accounts for share-based compensation granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model to determine the fair value of the plan at grant date. An estimated forfeiture rate is incorporated into the fair value calculated and adjusted to reflect the actual number of options that vest. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus. At exercise, the associated amounts previously recorded as contributed surplus are reclassified to common share capital.

e) Per share amounts:

Basic per share amounts are computed by dividing net earnings (loss) by the weighted average number of common shares outstanding for the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options or other dilutive instruments were exercised into common shares. The treasury stock method assumes that any proceeds upon the exercise of dilutive instruments, including remaining unamortized compensation costs, would be used to purchase common shares at the average market price of the common shares during the period.

3. Significant accounting policies (continued)

f) Income taxes:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Finance income and expenses:

Finance income consists of interest earned on guaranteed investment certificates. Finance expenses include, bank fees on bank guarantees issued to regulatory bodies and accretion of the discount on decommissioning obligations.

h) Determination of fair value:

A number of the Company's accounting policies and disclosures required the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three categories based on the degree to which fair value is observable:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 – Valuations are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; including forward prices for commodities, time value and volatility factors which can be substantially observed or corroborated in the marketplace; and

3. Significant accounting policies (continued)

Level 3 – Inputs that are not based on observable data for the asset or liability.

Financial instruments comprise cash and cash equivalents, other receivables, and accounts payable and accrued liabilities.

The Company's policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the period.

Fair values have been determined for measurement and disclosure purposes as follows:

Cash and cash equivalents, other receivables, accounts payable and accrued liabilities

The fair values of these financial instruments approximate their carrying amounts due to their short term to maturity.

Share-based compensation

The fair value of stock options is measured using a Black Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

i) New standards and interpretations not yet adopted:

Standards that are issued but not yet effective and that the Company reasonably expects to be applicable at a future date are listed below.

Revenue from contracts with customers

In April 2016, the IASB issued its final amendments to IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations. The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue; at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is to be recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and timing of the revenue recognized. The new standard applies to contracts with customers and does not apply to insurance contracts, financial instruments or lease contracts. The new standard is to be adopted either retrospectively or using a modified retrospective approach for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company will adopt the standard for its fiscal year commencing May 1, 2018 using the retrospective approach. As the Company has not earned significant revenues to date, the adoption of this standard will not have a significant impact on the Company's recognition and measurement of revenue.

Financial instruments: recognition and measurement

In July 2014, the IASB issued the complete IFRS 9 *Financial Instruments* to replace IAS 9 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a principle-based approach for the classification and measurement of financial assets, a single 'expected credit loss' impairment model and a new hedge accounting standard which aligns hedge accounting more closely with risk management. The new standard is to be adopted retrospectively with some exemptions for annual periods on or after

3. Significant accounting policies (continued)

January 1, 2018, with early adoption permitted. Top Strike intends to adopt IFRS 9 on a retrospective basis on May 1, 2018. The Company determined that there will not be any material changes to the measurement and carrying values of the Company's financial instruments as a result of the adoption of IFRS 9. Top Strike does not currently apply hedge accounting to its financial instrument contracts and does not currently intend to apply hedge accounting to any of its financial instrument contracts upon adoption of IFRS 9.

Leases

In January 2016, the IASB issued IFRS 16 *Leases*. This standard introduces a single recognition and measurement model for leases, which would require the recognition of assets and liabilities for most leases with a term of more than 12 months. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the initial adoption date of January 1, 2018. The new standard is to be adopted either retrospectively or using a modified retrospective approach. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on May 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

4. Management judgements and estimates

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgements made by management in the preparation of these financial statements are out-lined below.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Recognition of deferred income tax assets

The recognition of deferred income tax assets requires judgements regarding the likelihood and applicability of future income tax deductions. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and ability to apply income tax deductions.

Key sources of uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

(Expressed in Canadian Dollars)

4. Management judgements and estimates (continued)

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period which the change occurs.

Share-based payments

The Company measures the cost of its share-based payments to directors, officers, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The assumptions used in determining fair value include: share price, expected lives of the options, risk-free rates of return, share price volatility and the estimated forfeiture rate. Changes to assumptions may have a material impact on the amounts presented.

5. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and cashable guaranteed investment certificates. Cash and cash equivalents at the end of the reporting period as shown in the statement of financial position are comprised of:

As at	April 30, 2018	April 30, 2017
Cash and bank balances	$ 10,576	$ 27,098
Guaranteed investment certificates	61,215	81,712
	$ 71,791	$ 108,810

6. Share capital

a) Authorized

Unlimited number of common shares with no par value.

b) Issued

	Number of shares	Amount
Balance at April 30, 2017 and 2018	16,431,428	$ 17,757,383

c) Share-based compensation – stock options

The Company has a share option plan for directors, officers, employees and consultants of the Company whereby share options representing up to 10% of the issued and outstanding common shares can be granted by the Board of Directors. Share options are granted for a term of three to five years and vest immediately. The exercise price of each option equals no less than the market price of the Company’s common shares on the date of the grant.

(Expressed in Canadian Dollars)

6. Share capital (continued)

The Company accounts for share-based compensation granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model to determine the fair value of the plan at grant date. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus.

A summary of stock options outstanding as at April 30, 2018 and 2017 is as follows:

Average	Number of options	Weighted Exercise Price
Outstanding at April 30, 2017 and 2018	900,000	$ 0.10
Exercisable at April 30, 2017 and 2018	900,000	$ 0.10

The fair value of stock options granted during the year ended April 30, 2015 was $3,475. The options were granted to directors and/or officers on January 6, 2015 with a 5-year term, and vested immediately. Accordingly, all options expire January 6, 2020 and have 1.69 years remaining as at April 30, 2018.

d) Warrants

The Company had no warrants outstanding as at April 30, 2018 or 2017.

e) Per share amounts

Basic loss per share is calculated based on net loss and the weighted-average number of common shares outstanding. The Company has recorded a loss in each of the years presented and therefore any addition to basic shares is anti-dilutive.

Year ended April 30	2018	2017
Loss for the year	$ 20,269	$ 72,280
Weighted average number of common shares (basic and diluted)	16,431,428	16,431,428
Basic and diluted loss per share	$ 0.00	$ 0.00

At April 30, 2018, there were 900,000 (2017 – 900,000) stock options considered anti-dilutive.

7. Compensation of key management personnel

The Company considers its directors and executives to be key management personnel. The key management personnel compensation is comprised of the following:

Year ended April 30	2018	2017
Consulting and professional fees (including director's fees)	$ 4,388	$ 5,400
	$ 4,388	$ 5,400

8. Related party transactions

During the year ended April 30, 2018, the Company paid or accrued accounting fees of $4,388 (2017 - $5,400) to a company controlled by an officer of the Company. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As at April 30, 2018, accounts payable and accrued liabilities included amounts payable to related parties totaling $2,700 (2017 - $3,827) for accounting fees.

9. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances and components of shareholders' equity (deficiency). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize on-going development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended April 30, 2018. The Company is not subject to externally imposed capital requirements.

10. Financial risk management

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of a chequing account at a reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to $100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for receivables by standard credit checks. At April 30, 2018, the Company's exposure to credit risk is minimal.

10. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at April 30, 2018, the Company had a cash and cash equivalents balance of $71,791 (2017 - $108,810) to settle current liabilities of $9,143 (2017 - $25,561).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest risk

The Company has cash balances, a guaranteed investment certificate and had non-interest-bearing loans payable. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of April 30, 2018, the Company had $61,215 in investment-grade short-term deposit certificates bearing an interest rate of 0.8%.

b) Foreign currency risk

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

11. Income taxes

a) Income tax reconciliation

The Company's income tax provision differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 27.0% (2017 – 27.0%) to the net loss before income taxes as follows:

	2018	2017
Loss before taxes	$ 20,269	$ 72,280
Expected income tax recovery	5,467	19,516
Unrecognized benefits from tax loss incurred during year but not recognized	(5,467)	(20,633)
Share issuance cost deductible for income tax	-	1,117
Income tax recovery	$ -	$ -

b) Exploration and development expenditures

The Company has undeducted exploration and development expenditures of approximately $3.4 million, the benefit of which has not been reflected on these financial statements, which can be carried forward indefinitely to offset future taxable income.

c) Capital losses

The Company has capital losses of approximately $0.9 million, the benefit of which has not been reflected in these financial statements, which can be carried forward indefinitely to offset future capital gains.

d) Temporary differences

A deferred income tax asset reflects the net effect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income tax assets based on the expected income tax rate of 27% (2017 – 27%) are noted below. A valuation allowance to eliminate the recognition of the benefits of these temporary differences has been recorded as management believes it is more likely than not that the benefits will never be utilized.

11. Income taxes (continued)

		2018		2017
Income tax effect of deductible temporary differences				
Exploration and development expenditures deductible for income tax in excess of net book value of mineral properties	$	913,937	$	913,937
Non-capital losses carried forward		780,520		775,053
Capital losses carried forward		233,490		233,490
		1,927,947		1,922,480
Valuation allowance		(1,927,947)		(1,922,480)
Net recognized future tax asset	$	-	$	-

e) Non-capital losses

The Company has accumulated non-capital losses carried forward for income tax purposes of approximately $2.9 million, the benefit of which has not been reflected in these financial statements. These losses may be applied against future taxable income within the limitations prescribed by the Income Tax Act (Canada) and expire as follows:

		($000s)
2026	$	802
2027		788
2028		432
2029		235
2030		203
2031		14
2032		81
2033		89
2034		105
2035		21
2036		24
2037		76
2038		20
	$	2,890

12. Subsequent event

On July 3, 2018, the Company announced a proposed private placement together with appointment of a new management team and board of directors (the “Management Recapitalization Transaction”). The Company plans to, as a condition of the Management Recapitalization Transaction, complete a private placement (the “Private Placement”) of between $5 million and $25 million at a price of $0.06 per unit (“Unit”). Each Unit will be comprised of one Common Share and one-half of one Common Share purchase warrant. In addition to the Private Placement, the new management team, together with additional subscribers identified by the new management team, will subscribe for units (“Insider Units”) of the Company for aggregate gross proceeds of up to $1.5 million at a price of $0.05 per Insider Unit (the “Insider Private Placement”).

12. Subsequent event (continued)

The Private Placement and Insider Private Placement have not closed as yet and there can be no assurance that they will close.

SCHEDULE "B"
AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED APRIL 30, 2017 AND 2016

(*See Attached.*)

TOP STRIKE RESOURCES CORP.

Audited Financial Statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

K. R. MARGETSON LTD.

Chartered Professional Accountant

210 – 905 West Pender Street
Vancouver, BC
V6C 1L6
Canada

Tel 604.220.7704
Fax: 1.855.603.3228

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Top Strike Resources Corp.:

I have audited the accompanying financial statements of Top Strike Resources Corp., which comprise the statements of financial position as at April 30, 2017 and April 30, 2016 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended April 30, 2017 and 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Top Strike Resources Corp. as at April 30, 2017 and April 30, 2016 and its financial performance and its cash flows for the years ended April 30, 2017 and 2016 in accordance with International Financial Reporting Standards.

Chartered Professional Accountant

Vancouver, Canada
August 23, 2017

TOP STRIKE RESOURCES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes		April 30 2017		April 30 2016
ASSETS					
Current assets					
Cash and cash equivalents	**5**	**$**	**108,810**	$	166,931
Other receivables			**595**		1,016
Prepaids			**833**		833
			110,238		168,780
TOTAL ASSETS		**$**	**110,238**	$	168,780
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**25,561**	$	11,823
TOTAL LIABILIITES			**25,561**		11,823
SHAREHOLDERS' EQUITY					
Share capital	**6(b)**		**17,757,383**		17,757,383
Contributed surplus			**33,256**		33,256
Deficit			**(17,705,962)**		(17,633,682)
TOTAL SHAREHOLDERS' EQUITY			**84,677**		156,957
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**110,238**	$	168,780

Nature and continuance of operations (Note 1)

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:

"David Safton" Director — **David Safton**

"Dale Styner" Director — **Dale Styner**

TOP STRIKE RESOURCES CORP.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the years ended April 30	Notes		**2017**		2016
Expenses					
Office and miscellaneous		**$**	**58**	$	59
Travel			**2,063**		-
Professional fees			**50,959**		12,472
Corporate communication			**20,275**		9,113
			73,355		21,644
Other income					
Finance income			**1,075**		1,755
			1,075		1,755
Loss and comprehensive loss for the year		**$**	**72,280**	$	19,889
Loss per common share					
Basic and diluted	**6(e)**	**$**	**0.00**		0.00
Weighted average number of common shares outstanding					
Basic and diluted			**16,431,428**		16,431,428

The accompanying notes are an integral part of these financial statements.

TOP STRIKE RESOURCES CORP.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Shares outstanding		Share capital		Contributed surplus		Deficit		Total shareholders' equity
Balance at May 1, 2016	**16,431,428**	**$**	**17,757,383**	**$**	**33,256**	**$**	**(17,633,682)**	**$**	**156,957**
Loss and comprehensive loss for the year	-		-		-		**(72,280)**		**(72,280)**
Balance at April 30, 2017	**16,431,428**	**$**	**17,757,383**	**$**	**33,256**	**$**	**(17,705,962)**	**$**	**84,677**
Balance at May 1, 2015	16,431,428	$	17,757,383	$	33,256	$	(17,613,793)	$	176,846
Loss and comprehensive loss for the year	-		-		-		(19,889)		(19,889)
Balance at April 30, 2016	16,431,428	$	17,757,383	$	33,256	$	(17,633,682)	$	156,957

The accompanying notes are an integral part of these financial statements.

TOP STRIKE RESOURCES CORP.
Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended April 30	Notes		**2017**		2016
Operating activities					
Net loss for the year		**$**	**(72,280)**	$	(19,889)
Changes in non-cash working capital:					
Other receivables			**421**		1,097
Accounts payable and accrued liabilities			**13,738**		2,628
Net cash used in operating activities			**(58,121)**		(16,164)
Change in cash and cash equivalents for the year			**(58,121)**		(16,164)
Cash and cash equivalents, beginning of year			**166,931**		183,095
Cash and cash equivalents, end of year		**$**	**108,810**	**$**	166,931

Supplementary disclosures

Cash received during the year for interest	**$**	**1,618**	$	1,755
Cash paid during the year for interest	**$**	**-**	$	-
Cash paid during the year for income taxes	**$**	**-**	$	-

The accompanying notes are an integral part of these financial statements.

1. Nature and continuance of operations

Top Strike Resources Corp. (the "Company") currently has no activity and to date has not earned significant revenues. The Company has evaluated several oil and gas opportunities. The Company has previously focused on international and domestic oil and gas projects but recently expanded its scope to consider other industries as well.

The Company trades under the symbol "TSR.H" on the NEX board, which is a separate board of the TSX Venture Exchange. The Company's principal place of business is located in Calgary, Alberta. The address of the Company's registered office is Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, T2P 0C1.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company had working capital of $84,677 as at April 30, 2017 (2016 - $156,957) and has not generated any revenues and has accumulated losses of $17,705,962 (2016 - $17,633,682). The Company has sufficient working capital to operate for the next twelve months and meet its financial obligations as they become due. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements were approved and authorized for issuance by the Board of Directors on August 23, 2017.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis.

c) Functional and presentation currency

The Company's presentation currency is Canadian dollars. The functional currency of the Company is Canadian dollars.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and cashable guaranteed investment certificates.

3. Significant accounting policies (continued)

b) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

c) Financial instruments

Financial assets and liabilities are classified as either financial assets or liabilities at fair value through profit and loss ("FVTPL"), loans and receivables, held to maturity investments, available for sale financial assets, or other liabilities, as appropriate. Financial assets and liabilities are recognized initially at fair value.

Subsequent measurement of financial instruments is based on their initial classification. FVTPL financial assets and liabilities are measured at fair value and changes in fair value are recognized in profit or loss. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive loss until the instrument is derecognized or impaired. The remaining categories of financial instruments are recognized at amortized cost using the effective interest rate method.

The transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability classified as FVTPL are expensed immediately. For a financial asset or financial liability carried at amortized cost, transaction costs directly attributable to acquiring or issuing the asset or liability are added to or deducted from the fair value on initial recognition and amortized through profit or loss income over the term of the financial instrument.

3. Significant accounting policies (continued)

(i) Non-derivative financial instruments

Cash and cash equivalents are classified as FVTPL. Other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

(ii) Derivative financial instruments

The Company may enter into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices. These instruments will not be used for trading or speculative purposes. The Company will not designate its financial derivative contracts as effective accounting hedges and therefore will not apply hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, all derivative contracts will be classified as FVTPL and will be recorded on the statement of financial position at fair value. Transaction costs will be recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives will be measured at fair value, and changes therein will be recognized immediately in profit or loss.

The Company may enter into physical delivery sales contracts for the purposes of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements as executory contracts. As such, these contracts are not considered to be derivative financial instruments and will not be recorded at fair value on the statement of financial position. Settlements on these physical delivery contracts will be recognized in petroleum and natural gas revenue in the period of settlement.

Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the valuation date. For financial instruments that have no active market, fair value is determined using valuation techniques including the use of recent arm’s length market transactions, reference to the current market value of equivalent financial instruments and discounted cash flow analysis.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

d) Share-based compensation:

The Company accounts for share-based compensation granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model to determine the fair value of the plan at grant date. An estimated forfeiture rate is incorporated into the fair value calculated and adjusted to reflect the actual number of options that vest. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus. At exercise, the associated amounts previously recorded as contributed surplus are reclassified to common share capital.

e) Per share amounts:

Basic per share amounts are computed by dividing net earnings (loss) by the weighted average number of common shares outstanding for the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options or other dilutive instruments were exercised into common shares. The treasury stock method assumes that any proceeds upon the exercise of dilutive instruments, including remaining unamortized compensation costs, would be used to purchase common shares at the average market price of the common shares during the period.

3. Significant accounting policies (continued)

f) Income taxes:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Finance income and expenses:

Finance income consists of interest earned on guaranteed investment certificates. Finance expenses include, bank fees on bank guarantees issued to regulatory bodies and accretion of the discount on decommissioning obligations.

h) Determination of fair value:

A number of the Company's accounting policies and disclosures required the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three categories based on the degree to which fair value is observable:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 – Valuations are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; including forward prices for commodities, time value and volatility factors which can be substantially observed or corroborated in the marketplace; and

3. Significant accounting policies (continued)

Level 3 – Inputs that are not based on observable data for the asset or liability.

Financial instruments comprise cash and cash equivalents, other receivables, and accounts payable and accrued liabilities.

The Company's policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the period.

Fair values have been determined for measurement and disclosure purposes as follows:

Cash and cash equivalents, other receivables, accounts payable and accrued liabilities

The fair values of these financial instruments approximate their carrying amounts due to their short term to maturity.

Share-based compensation

The fair value of stock options is measured using a Black Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

i) New standards and interpretations not yet adopted:

Standards that are issued but not yet effective and that the Company reasonably expects to be applicable at a future date are listed below.

Revenue from contracts with customers

In April 2016, the IASB issued its final amendments to IFRS 15 Revenue from Contracts with Customers, which replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations. The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue; at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is to be recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and timing of the revenue recognized. The new standard applies to contracts with customers and does not apply to insurance contracts, financial instruments or lease contracts. The new standard is to be adopted either retrospectively or using a modified retrospective approach for annual periods beginning on or after January 1, 2018, with early adoption permitted. The extent of the impact of adoption of the standard has not yet been determined.

Financial instruments: recognition and measurement

In July 2014, the IASB issued the complete IFRS 9 Financial Instruments to replace IAS 9 Financial Instruments: Recognition and Measurement. IFRS 9 includes a principle-based approach for the classification and measurement of financial assets, a single 'expected credit loss' impairment model and a new hedge accounting standard which aligns hedge accounting more closely with risk management. The new standard is to be adopted retrospectively with some exemptions for annual periods on or after January 1, 2018, with early adoption permitted. Top Strike intends to adopt IFRS 9 on a retrospective basis on May 1, 2018. The extent of the adoption of IFRS 9 on the classification and

3. Significant accounting policies (continued)

measurement of the Company's financial assets and financial liabilities and related disclosures has not yet been determined. Top Strike does not currently apply hedge accounting to its financial instrument contracts and does not currently intend to apply hedge accounting to any of its financial instrument contracts upon adoption of IFRS 9.

Leases

In January 2016, the IASB issued IFRS 16 Leases. This standard introduces a single recognition and measurement model for leases, which would require the recognition of assets and liabilities for most leases with a term of more than 12 months. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the initial adoption date of January 1, 2018. The new standard is to be adopted either retrospectively or using a modified retrospective approach. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on May 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

4. Management judgements and estimates

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgements made by management in the preparation of these financial statements are outlined below.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Recognition of deferred income tax assets

The recognition of deferred income tax Assets requires judgements regarding the likelihood and applicability of future income tax deductions. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and ability to apply income tax deductions.

Key sources of uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

(Expressed in Canadian Dollars)

4. Management judgements and estimates (continued)

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period which the change occurs.

Share-based payments

The Company measures the cost of its share-based payments to directors, officers, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The assumptions used in determining fair value include: share price, expected lives of the options, risk-free rates of return, share price volatility and the estimated forfeiture rate. Changes to assumptions may have a material impact on the amounts presented.

5. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and cashable guaranteed investment certificates. Cash and cash equivalents at the end of the reporting period as shown in the statement of financial position are comprised of:

As at	April 30, 2017	April 30, 2016
Cash and bank balances	$ 27,098	$ 5,311
Guaranteed investment certificates	81,712	161,620
	$ 108,810	$ 166,931

6. Share capital

a) Authorized

Unlimited number of common shares with no par value.

b) Issued

	Number of shares	Amount
Balance at April 30, 2016 and 2017	16,431,428	$ 17,757,383

c) Share-based compensation – stock options

The Company has a share option plan for directors, officers, employees and consultants of the Company whereby share options representing up to 10% of the issued and outstanding common shares can be granted by the Board of Directors. Share options are granted for a term of three to five years and vest immediately. The exercise price of each option equals no less than the market price of the Company’s common shares on the date of the grant.

(Expressed in Canadian Dollars)

6. Share capital (continued)

The Company accounts for share-based compensation granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model to determine the fair value of the plan at grant date. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus.

A summary of stock options outstanding as at April 30, 2017 and 2016 is as follows:

	Number of options	Weighted Average Exercise Price
Outstanding at April 30, 2016 and 2017	900,000	$ 0.10
Exercisable at April 30, 2016 and 2017	900,000	$ 0.10

The fair value of stock options granted during the year ended April 30, 2015 was $3,475. The options were granted to directors and/or officers on January 6, 2015 with a 5-year term, and vested immediately. Accordingly, all options expire January 6, 2020 and have 2.69 years remaining as at April 30, 2017.

d) Warrants

The Company had no warrants outstanding as at April 30, 2017 or 2016.

e) Per share amounts

Basic loss per share is calculated based on net loss and the weighted-average number of common shares outstanding. The Company has recorded a loss in each of the years presented and therefore any addition to basic shares is anti-dilutive.

Year ended April 30	2017	2016
Loss for the year	$ 72,280	$ 19,889
Weighted average number of common shares (basic and diluted)	16,431,428	16,431,428
Basic and diluted loss per share	$ 0.00	$ 0.00

At April 30, 2017, there were 900,000 (2016 – 900,000) stock options considered anti-dilutive.

7. Compensation of key management personnel

The Company considers its directors and executives to be key management personnel. The key management personnel compensation is comprised of the following:

Year ended April 30	2017	2016
Consulting and professional fees (including director’s fees)	$ 5,400	$ 5,838
	$ 5,400	$ 5,838

8. Related party transactions

During the year ended April 30, 2017, the Company paid or accrued accounting fees of $5,400 (2016 - $5,838) to a company controlled by an officer of the Company. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As at April 30, 2017, accounts payable and accrued liabilities included amounts payable to related parties totaling $3,827 (2016 - $3,630) for accounting fees.

9. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances and components of shareholders' equity (deficiency). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize on-going development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended April 30, 2017. The Company is not subject to externally imposed capital requirements.

10. Financial risk management

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of a chequing account at a reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to $100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for receivables by standard credit checks. At April 30, 2017, the Company's exposure to credit risk is minimal.

10. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at April 30, 2017, the Company had a cash and cash equivalents balance of $108,810 (2016 - $166,931) to settle current liabilities of $25,561 (2016 - $11,823).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest risk

The Company has cash balances, a guaranteed investment certificate and had non-interest bearing loans payable. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of April 30, 2017, the Company had $81,712 in investment-grade short-term deposit certificates bearing an interest rate of 0.75%.

b) Foreign currency risk

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

11. Income taxes

a) Income tax reconciliation

The Company's income tax provision differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 27.0% (2016 – 26.5%) to the net loss before income taxes as follows:

		2017		2016
Loss before taxes	$	72,280	$	19,889
Expected income tax recovery		19,516		5,271
Unrecognized benefits from tax loss incurred during year but not recognized		(20,633)		(6 367)
Share issuance cost deductible for income tax		1,117		1,096
Income tax recovery	$	-	$	-

The Government of Alberta increased the corporate income tax rate from 10 percent to 12 percent, resulting in a blended Alberta provincial corporate tax rate of 11 percent for the year ended December 31, 2015. This was substantively enacted in June 2015.

b) Exploration and development expenditures

The Company has undeducted exploration and development expenditures of approximately $3.4 million, the benefit of which has not been reflected on these financial statements, which can be carried forward indefinitely to offset future taxable income.

c) Capital losses

The Company has capital losses of approximately $0.9 million, the benefit of which has not been reflected in these financial statements, which can be carried forward indefinitely to offset future capital gains.

d) Temporary differences

A deferred income tax asset reflects the net effect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income tax assets based on the expected income tax rate of 27% (2016 – 27%) are noted below. A valuation allowance to eliminate the recognition of the benefits of these temporary differences has been recorded as management believes it is more likely than not that the benefits will never be utilized.

11. Income taxes (continued)

		2017		2016
Income tax effect of deductible temporary differences				
Exploration and development expenditures deductible for income tax in excess of net book value of mineral properties	$	913,937	$	913,937
Share issue costs		-		1,117
Non-capital losses carried forward		775,053		754,445
Capital losses carried forward		233,490		233,490
		1,922,480		1,902,989
Valuation allowance		(1,922,480)		(1,902,989)
Net recognized future tax asset	$	-	$	-

e) Non-capital losses

The Company has accumulated non-capital losses carried forward for income tax purposes of approximately $2.9 million, the benefit of which has not been reflected in these financial statements. These losses may be applied against future taxable income within the limitations prescribed by the Income Tax Act (Canada) and expire as follows:

		($000s)
2026	$	802
2027		788
2028		432
2029		235
2030		203
2031		14
2032		81
2033		89
2034		105
2035		21
2036		24
2037		76
	$	2,870

SCHEDULE “C”
MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED APRIL 30, 2018

(*See Attached.*)

The following Management's Discussion & Analysis ("MD&A") as provided by the management of Top Strike Resources Corp. ("Top Strike" or the "Company") should be read in conjunction with the Company's audited financial statements and accompanying notes for the years ended April 30, 2018 and 2017. All financial measures are expressed in Canadian dollars unless otherwise indicated. Top Strike's MD&A and financial statements were prepared under International Financial Reporting Standards ("IFRS"). The reader should be aware that historical results are not necessarily indicative of future performance. The effective date of this MD&A is August 15, 2018.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management on a quarterly basis to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward Looking Statements" on page 8 of this report.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS AND OVERVIEW

Common shares of the Company trade under the symbol "TSR.H" on the NEX board, which is a separate board of the TSX Venture Exchange.

The Company currently does not carry on active business activities. The Company has evaluated several oil and gas as well as other opportunities. The Company had previously focused on international and domestic oil and gas projects but has expanded its scope to consider other industries as well.

On July 3, 2018, the Company announced a proposed private placement together with appointment of a new management team and board of directors (the "Management Recapitalization Transaction"). The Company plans to, as a condition of the Management Recapitalization Transaction, complete a private placement (the "Private Placement") of between \$5 million and \$25 million at a price of \$0.06 per unit ("Unit"). Each Unit will be comprised of one Common Share and one-half of one Common Share purchase warrant. In addition to the Private Placement, the new management team, together with additional subscribers identified by the new management team, will subscribe for units ("Insider Units") of the Company for aggregate gross proceeds of up to \$1.5 million at a price of \$0.05 per Insider Unit (the "Insider Private Placement"). The Private Placement and Insider Private Placement have not closed as yet and there can be no assurance that they will close.

On completion of the Management Recapitalization Transaction, the Company expects to execute on an international cannabis-focused investment strategy with an emphasis on state compliant opportunities in the United States through the development and management of a diversified portfolio of predominantly early stage cannabis investment opportunities. Additional details on the Management Recapitalization Transaction, Private Placement and Insider Private Placement can be found on SEDAR at www.sedar.com.

SELECTED ANNUAL INFORMATION

Year ended April 30	2018	2017	2016
Revenue	$ Nil	$ Nil	$ Nil
General and administrative expenses	20,807	73,355	21,644
Loss	20,269	72,280	19,889
Loss per share – basic and diluted	0.00	0.00	0.00
Total assets	73,551	110,238	168,780
Total long-term financial liabilities	-	-	-
Total cash dividend paid	-	-	-

SUMMARY OF QUARTERLY RESULTS

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

	Apr 30, 2018	Jan 31, 2018	Oct 31, 2017	July 31, 2017	Apr 30, 2017	Jan 31, 2017	Oct 31, 2016	July 31, 2016
Revenue	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Loss for the period	10,488	3,121	2,720	3,940	15,739	12,936	39,872	3,733
Loss per share - basic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	73,551	76,028	79,091	93,800	110,238	109,737	155,861	169,375
Total liabilities	9,143	1,132	1,074	13,363	25,561	9,321	42,509	16,151

RESULTS OF OPERATIONS

Financial results

Overall, the Company recorded a net loss of $20,269 ($0.00 loss per share) for the year ended April 30, 2018 as compared to a net loss of $72,280 ($0.00 loss per share) for the prior year.

The Company had no operating revenue for the years ended April 30, 2018 and 2017. The net loss is comprised of general and administrative expenses of $20,807 (2017 - $73,355) less finance income of $538 (2017 - $1,075).

Significant expenses during the year ended April 30, 2018 were professional fees of $11,042 (legal of $655 (2017 - $39,559) and audit and accounting of $10,387 (2017 – $11,400)) and corporate communication expenses of $9,524 (2017 - $20,275). Corporate communication expenses consist of transfer agent fees, listing and filing fees and press release costs.

In 2017, general and administrative expenses (legal, travel and corporate communication) were significantly higher than in 2018 as the Company pursued two reverse takeover transactions that did not materialize.

Significant expenses during the three months ended April 30, 2018 were professional fees of $8,662 (legal of $nil (2017 - $2,940) and audit and accounting of $8,662 (2017 - $9,037)) and corporate communication expenses of $1,891 (2017 - $1,830).

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

At April 30, 2018, the Company had a cash and cash equivalent balance of $71,791 (2017 - $108,810) to settle current liabilities of $9,143 (2017 - $25,561).

As at April 30, 2018, the Company's cash and cash equivalents decreased by $37,019 from April 30, 2017, which is the net cash used in operating activities.

CAPITAL COMMITTMENTS

The Company has no commitments for property and equipment expenditures for fiscal 2019. The Company anticipates that any property and equipment expenditures based on future needs, will be funded from cash on hand and the issuance of equity securities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are out-lined below.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimated useful lives and residual value of property, plant and equipment

Equipment is depreciated over its useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, the potential for technology obsolescence and regulations.

Key Sources of uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period which the change occurs.

Share-based payments

The Company measures the cost of its share-based payments to directors, officers, employees and certain consultants by reference to the fair value of the equity instruments at the date at which they are granted. The assumptions used in determining fair value include: share price, expected lives of options, risk-free rates of return, share price volatility and the estimated forfeiture rate. Changes to assumptions may have a material impact on the amounts presented.

NEW ACCOUNTING STANDARDS AND PRONOUCEMENTS

New standards and interpretations not yet adopted

Standards that are issued but not yet effective and that the Company reasonably expects to be applicable at a future date are listed below.

Revenue from contracts with customers

In April 2016, the IASB issued its final amendments to IFRS 15 Revenue from Contracts with Customers, which replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations. The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue; at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is to be recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and timing of the revenue recognized. The new standard applies to contracts with customers and does not apply to insurance contracts, financial instruments or lease contracts. The new standard is to be adopted either retrospectively or using a modified retrospective approach for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company will adopt the standard for its fiscal year commencing May 1, 2018 using the retrospective approach. As the Company has not earned significant revenues to date, the adoption of this standard will not have a significant impact on the Company's recognition and measurement of revenue.

Financial instruments: recognition and measurement

In July 2014, the IASB issued the complete IFRS 9 Financial Instruments to replace IAS 9 Financial Instruments: Recognition and Measurement. IFRS 9 includes a principle-based approach for the classification and measurement of financial assets, a single 'expected credit loss' impairment model and a new hedge accounting standard which aligns hedge accounting more closely with risk management. The new standard is to be adopted retrospectively with some exemptions for annual periods on or after January 1, 2018, with early adoption permitted. Top Strike intends to adopt IFRS 9 on a retrospective basis on May 1, 2018. The Company determined that there will not be any material changes to the measurement and carrying values of the Company's financial instruments as a result of the adoption of IFRS 9. Top Strike does not currently apply hedge accounting to its financial instrument contracts and does not currently intend to apply hedge accounting to any of its financial instrument contracts upon adoption of IFRS 9.

Leases

In January 2016, the IASB issued IFRS 16 Leases. This standard introduces a single recognition and measurement model for leases, which would require the recognition of assets and liabilities for most leases with a term of more than 12 months. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the initial adoption date of January 1, 2018. The new standard is to be adopted either retrospectively or using a modified retrospective approach. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on May 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

FINANCIAL INSTRUMENTS

Financial instruments comprise cash and cash equivalents, other receivables, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to their short-term maturities.

Financial assets and liabilities are classified as either financial assets or liabilities at fair value through profit and loss ("FVTPL"), loans and receivables, held to maturity investments, available for sale financial assets, or other liabilities, as appropriate. Financial assets and liabilities are recognized initially at fair value.

Subsequent measurement of financial instruments is based on their initial classification. FVTPL financial assets and liabilities are measured at fair value and changes in fair value are recognized in profit or loss. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive loss until the instrument is derecognized or impaired. The remaining categories of financial instruments are recognized at amortized cost using the effective interest rate method.

The transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability classified as FVTPL are expensed immediately. For a financial asset or financial liability carried at amortized cost, transaction costs directly attributable to acquiring or issuing the asset or liability are added to or deducted from the fair value on initial recognition and amortized through profit or loss income over the term of the financial instrument.

(i) Non-derivative financial instruments

Cash and cash equivalents are classified as FVTPL. Other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

(ii) Derivative financial instruments

The Company may enter into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices. These instruments will not be used for trading or speculative purposes. The Company will not designate its financial derivative contracts as effective accounting hedges and therefore will not apply hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, all derivative contracts will be classified as FVTPL and will be recorded on the statement of financial position at fair value. Transaction costs will be recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives will be measured at fair value, and changes therein will be recognized immediately in profit or loss.

The Company may enter into physical delivery sales contracts for the purposes of receipt or delivery of nonfinancial items in accordance with its expected purchase, sale or usage requirements as executory contracts. As such, these contracts are not considered to be derivative financial instruments and will not be recorded at fair value on the statement of financial position. Settlements on these physical delivery contracts will be recognized in petroleum and natural gas revenue in the period of settlement.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the valuation date. For financial instruments that have no active market, fair value is determined using valuation techniques including the use of recent arm's length market transactions, reference to the current market value of equivalent financial instruments and discounted cash flow analysis.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of a chequing account and guaranteed investment certificates at a reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to $100,000 in Canada. Financial instruments included in other receivables consist of amounts due from government agencies and a chartered bank. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At April 30, 2018, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company endeavours to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at April 30, 2018, the Company had cash and cash equivalents of $71,791 (2017 - $108,810) to settle current liabilities of $9,143 (2017 - $25,561).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements, and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of April 30, 2018, the Company had $61,215 in investment-grade short-term deposit certificates plus accrued interest of $638.

b) Foreign currency risk

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OFF- BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at the date of this MD&A, there are no proposed transactions that the board of directors or senior management have decided to proceed with and that have not been publicly disclosed.

RELATED PARTY TRANSACTIONS

During the year ended April 30, 2018, the Company paid or accrued accounting fees of $4,388 (2017 - $5,400) to a company controlled by an officer of the Company. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As at April 30, 2018, accounts payable and accrued liabilities included amounts payable to related parties totaling $2,700 (2017 - $3,827) for accounting fees.

SHARE CAPITAL

The Company has an unlimited number of common shares authorized for issuance. At August 15, 2018, there were 16,431,428 common shares issued and outstanding, no warrants outstanding and 900,000 stock options outstanding.

RISKS AND UNCERTAINTIES

The Company's financial success will be dependent upon the Company's ability to raise equity. There is no assurance that the Company will be able to raise the equity required to meet the obligations of the Company and the Company has no source of financing other than those identified in the previous section.

Going Concern

To date, the Company has not generated any significant revenues. The Company has a history of negative cash flows from operations and as of April 30, 2018 has an accumulated deficit of $17,726,231. The Company continues to be dependent upon its ability to finance its operations and any acquisitions of exploration and evaluation properties through financing activities that may include issuances of additional debt or equity securities.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, conclusions of economic assessments of projects, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability, uncertainty related to the resolution of legal disputes and lawsuits; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of oil and gas; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in reserves, recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the oil and gas industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of oil and gas operations, tax rules and regulations, and political and economic developments in countries in which the Company operates.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion & Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

SCHEDULE “D”
STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Given the early development stage of Top Strike Resources Corp. (the "**Corporation**"), the Corporation is focused on limiting cash compensation to the extent appropriate. The following discussion is primarily related to the Corporation's policy for executive compensation as the Corporation's balance sheet is strengthened and the business of the Corporation evolves from its current early development stage.

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The philosophy of the Corporation is to maintain a close monitoring over costs during its start-up phase and then to pay the management a total compensation amount that is competitive with other junior companies in Canada and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The board of directors of the Corporation (the "**Board**") has adopted a compensation program that covers three (3) key elements: (i) a base amount of salary and benefits; (ii) a performance based cash bonus; and (iii) stock options. A description of the criteria used in each element of compensation is set forth below.

Base Salary

The objective of base salary compensation is to reward and retain Named Executive Officers (defined below). The program is designed to reward Named Executive Officers for maximizing shareholder value in a regulatory compliant and ethical manner. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Corporation. Subjective factors such as leadership, commitment and attitude are also considered. The members of the Board have experience with other junior companies to assist in determining the competitiveness of base salary, bonuses, benefits and stock options paid to each of the executive officers of the Corporation. The Corporation pays base salary compensation to retain the Named Executive Officers.

Bonus Plan

The Corporation's compensation philosophy will be to encourage the maximization of shareholder value at all levels of the organization by making cash bonuses a component of compensation, taking into consideration performance by both the Corporation and the respective executive officer.

Although no formal bonus plan has been implemented, all executive officers are eligible to receive a bonus. Bonus levels, if any, will be established by the Board. Bonus awards for executive officers are discretionary and to date no bonuses have been paid by the Corporation.

Stock Options

The maximization of shareholder value is encouraged by the granting of stock options at all levels. The Corporation has in place a stock option plan (the "**Option Plan**") under which awards have been made to executive officers in amounts relative to positions, performance, and what is considered competitive in the industry. The objective of the Option Plan is to reward and retain Named Executive Officers. The program is designed to reward Named Executive Officers for maximizing shareholder value in a regulatory compliant and ethical manner. The Option Plan is administered by the Board.

Risk Implications Associated with Compensation Policies and Practices

The Board is satisfied that there were not any identified risks arising from the Corporation's compensation plans or policies that would have had any negative or material impact on the Corporation.

Restrictions on Purchase of Financial Instruments

The Named Executive Officers are not permitted to purchase any financial instrument that is designed to hedge or offset a decrease in market value of the Common Shares. However, the Corporation does not have any written policies which prohibit a Named Executive Officer or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the financial years ended April 30, 2018, 2017 and 2016 for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three (3) most highly compensated individuals whose total compensation exceeded $150,000 per annum for the year ended April 30, 2018 (the "**Named Executive Officers**" or "**NEOs**").

					Non-Equity Incentive Plan Compensation				
Name and Principal Positions	**Year**	**Salary ($)**	**Share-based Awards[1] ($)**	**Option-based Awards[2] ($)**	**Annual Incentive Plans**	**Long-Term Incentive Plans**	**Pension Value ($)**	**All Other Compensation ($)**	**Total Compensation ($)**
Dale Styner[3], *President, Chief Executive Officer and Secretary*	2018 2017 2016	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
David Campbell, *Chief Financial Officer*	2018 2017 2016	4,388 5,400 5,838	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	4,388 5,400 5,838

Notes:

(1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
(2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.
(3) Mr. Styner did not receive any additional compensation for serving as a director of the Corporation.

Narrative Discussion

During the financial years ended April 30, 2018, 2017 and 2016, the Corporation granted no options to the Named Executive Officers. During the financial year ended April 30, 2015, the Corporation granted 300,000 options valued at $1,159 to Dale Styner and 200,000 options valued at $772 to David F. Campbell.

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

<u>Incentive Plan Awards</u>

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each NEO of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

	Option-Based Awards				**Share-Based Awards**		
Name and Title	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised in-the-money Options[(1)(2)] ($)**	**Number of Shares or Units of Shares that have not vested ($)**	**Market or Payout Value of Share-Based Awards that have not vested ($)**	**Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)**
Dale Styner, *President, Chief Executive Officer and Secretary*	300,000	0.10	January 6, 2020	Nil	N/A	N/A	N/A
David Campbell, *Chief Financial Officer*	200,000	0.10	January 6, 2020	Nil	N/A	N/A	N/A

Notes:

(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
(2) The aggregate of the difference between the market value of the Common Shares as at April 30, 2018, being $0.005 per Common Share, and the exercise price of the options.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for each NEO.

Name and Title	Option-Based Awards – Value vested during the year ($)	Share-Based Awards – Value vested during the year ($)	Non-Equity Incentive Plan Compensation – Value earned during the year ($)
Dale Styner, *President, Chief Executive Officer and Secretary*	N/A	N/A	N/A
David Campbell, *Chief Financial Officer*	N/A	N/A	N/A

Narrative Discussion

The Corporation has a stock option plan (defined herein as the "Option Plan") previously approved by the shareholders of the Corporation on November 4, 2014. The details of the Option Plan are described under Section 9 of the Listing Statement – "*Options to Purchase Securities*".

Pension and Retirement Plans

The Corporation does not have any pension or retirement plan which is applicable to the NEOs.

Termination and Change of Control Benefits

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a NEO's responsibilities.

Director Compensation Table

The Corporation currently has three (3) directors, Dale Styner, David Birnie and David Safton. Mr. Styner was a director and a Named Executive Officer during the years ended April 30, 2018, 2017 and 2016. For a description of the compensation paid to the Named Executive Officer of the Corporation who also acted as a director of the Corporation, see above.

The following table sets forth all compensation provided to directors who are not also NEOs (the "**Outside Directors**") of the Corporation for the financial years ended April 30, 2018, 2017 and 2016.

					Non-Equity Incentive Plan Compensation				
Name and Principal Positions	Year	Salary ($)	Share-based Awards[1] ($)	Option-based Awards[2] ($)	Annual Incentive Plans	Long-Term Incentive Plans	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
David Birnie	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Safton	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.

Narrative Discussion

There has been no cash compensation (including salaries, director's fees, commissions and bonuses paid for services rendered) paid to Outside Directors or corporations controlled by them, by the Corporation for the period from May 1, 2014 to April 30, 2018. Directors are reimbursed by the Corporation for their out-of-pocket expenses. NEOs of the Corporation who also act as directors of the Corporation, do not receive any additional compensation for services rendered in their capacity as directors, other than as paid by the Corporation to such NEOs in their capacity as NEOs.

During the financial years ended April 30, 2018, 2017 and 2016, the Corporation granted no options to the Outside Directors. During the financial year ended April 30, 2015, the Corporation granted 200,000 options valued at $772 to each Outside Director.

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

	Option-Based Awards				**Share-Based Awards**		
Name and Title	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised in-the-money Options(1)(2) ($)**	**Number of Shares or Units of Shares that have not vested ($)**	**Market or Payout Value of Share-Based Awards that have not vested ($)**	**Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)**
David Birnie	200,000	0.10	January 6, 2020	Nil	N/A	N/A	N/A
David Safton	200,000	0.10	January 6, 2020	Nil	N/A	N/A	N/A

Notes:

(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

(2) The aggregate of the difference between the market value of the Common Shares as at April 30, 2018, being $0.005 per Common Share, and the exercise price of the options.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for Outside Directors of the Corporation.

Name and Title	Option-Based Awards – Value vested during the year ($)	Share-Based Awards – Value vested during the year ($)	Non-Equity Incentive Plan Compensation – Value earned during the year ($)
David Birnie	Nil	N/A	N/A
David Safton	Nil	N/A	N/A

Narrative Discussion

The significant terms of the Option Plan are described under Section 9 of the Listing Statement – "*Options to Purchase Securities*".

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year.