CSE FORM 2A LISTING STATEMENT

(the "**Listing Statement**")

CULTIVAR HOLDINGS INC. (formerly Admiral Bay Resources Inc.)

(the "**Issuer**" or "**Cultivar**")

Dated as of December 9, 2019

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GLOSSARY

The following is a glossary of terms used frequently throughout this Listing Statement.

"Acquisition" means the acquisition of all of the issued and outstanding securities of CHL by Issuer pursuant to the Amalgamation Agreement dated August 26, 2019, with such acquisition constituting a reverse takeover for the Issuer;

"Affiliate" has the meaning ascribed to such term in NI 45-106 – *Prospectus and Registration Exemption*, unless otherwise defined;

"Amalco" means the company resulting from the amalgamation of CHL and Subco pursuant to the Amalgamation Agreement;

"Amalgamation" means the three-corner amalgamation of the Issuer, Subco and CHL pursuant to which (a) all of the security holders of CHL became security holders of Cultivar and (b) Amalco will became a wholly-owned subsidiary of Cultivar;

"Amalgamation Agreement" means the agreement made as of September 23, 2019 between the Issuer, CHL, and Subco pursuant to which the Issuer acquired all of the issued and outstanding shares of CHL by way of a three-corner amalgamation, a copy of which is available on the Issuer's profile on SEDAR at www.sedar.com and any amendments made thereto;

"ASC" means the Alberta Securities Commission;

"Assets" has the meaning ascribed to it in "*General Development of the Business - General Development of the Business of Issuer Prior to the Acquisition*";

"Assignor" has the meaning ascribed to it in "*Narrative Description of the Business - Intangible Property*";

"Audit Committee" has the meaning ascribed to it in "*Directors and Officers – Committees*";

"BCBCA" means the *Business Corporations Act* (British Columbia);

"BCSC" means the British Columbia Securities Commission;

"Board" means the board of directors of the Issuer;

"Cannabis Act" means the *Cannabis Act* of Canada, Statutes of Canada 2018, c. 16, Assented to 2018-06-21, Bill C-45, an Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts.

"Cannabis Regulations" means the regulations made under the Cannabis Act, SOR / 2019-206, for edible cannabis, cannabis extracts and cannabis topicals, published in the Canada Gazette, Part II on June 26, 2019, and will come into force on October 17, 2019, with two main sets of regulations that support the Cannabis Act, being Cannabis Regulations and Industrial Hemp Regulations;

"CannIP" means CannIP Holdings Inc. (formerly 2639745 Ontario Inc.), a wholly-owned subsidiary of CHL;

"CannIP Securities Exchange Agreement" has the meaning ascribed to it in "*3. General Development of the Business*";

"Cannabis Licensing Authority" means the agency of the Ministry of Industry, Commerce, Agriculture and Fisheries established pursuant to the *Dangerous Drug Amending Act* with a specific role to establish and regulate the legal ganja and hemp industry in Jamaica;

"**CBD**" means cannabidiol;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**CHL**" or means Cultivar Holdings Ltd.;

"**CHL Shares**" means the common shares of CHL;

"**CHL Shareholders**" means the holders of CHL Shares;

"**Closing**" has the meaning ascribed to it in "*General Development of the Business – Business of Issuer Prior to the Acquisition*";

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

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

"**Cultivar**" or "**Issuer**" means Cultivar Holdings Inc.;

"**Cultivar JA**" means Cultivar JA Limited;

"**Cultivar Option**" means the options to purchase common shares of CHL, as described in "*Options to Purchase Securities – Acquisition Option*";

"**Cultivar Warrant**" has the meaning ascribed to it in "*General Description of the Business - Issuer's Financing Activities*";

"**CTO**" means a Cease Trade Order;

"**Dazed Leaf**" means the division of CHL that is developing cannabis nutraceuticals;

"**Escrow Agreement**" means the escrow agreement to be entered into on or about the Listing Date between Transfer Agent and Cultivar;

"**Gross Sales**" means the amount of all revenue derived from the operation of CHL;

"**IFRS**" means the International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board, effective January 1, 2011;

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

"**Issuer Shares**" means the common shares of the Issuer;

"**Issuer Shareholder**" means the holder of one or more Issuer Share;

"**Lease**" has the meaning ascribed to it in "*Narrative Description of the Business – General Business of Cultivar – Cultivate Cannabis*";

"**Leased Premises**" has the meaning ascribed to it in "*Narrative Description of the Business – Construct a Facility to Produce Cannabis*";

"**Letter of Agreement**" has the meaning ascribed to it in "*General Development of the Business - General Development of the Business and Terms of the Acquisition";*

"**Licences**" has the meaning ascribed to it in "*Narrative Description of the Business – Licences*";

"**Listing Date**" means the date that Issuer Shares are listed on the CSE;

"**Listing Statement**" means this listing statement;

"**Management Fee**" has the meaning ascribed to it in "*Narrative Description of the Business – Material Contracts*";

"**MD&A**" means management's discussion and analysis;

"**NEO**" or "**NEOs**" means any named executive officer or any named executive officers, respectively;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

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

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Option Plan**" has the meaning ascribed to it in "*Options to Purchase Securities – Cultivar Option Plan*";

"**person**" means a company or individual;

"**PredictMedix**" means the division of CHL that provides artificial intelligence and genetic testing technology;

"**Predict Opioid**" has the meaning ascribed to it in "*Narrative Description of the Business– PredictMedix*";

"**Related Party**" means has the meaning ascribed to it in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Reorganization Agreement**" has the meaning ascribed to it in "*Corporate Structure – Corporate Name and Office – Cultivar Holdings Inc.*";

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Share Exchange**" has the meaning ascribed to it in "*General Development of the Business - General Development of the Business and Terms of the Acquisition*";

"**Subco**" means 2693980 Ontario Inc., a wholly owned subsidiary of the Issuer incorporated pursuant to the OBCA for the purpose of completing the Amalgamation;

"**Teaming Agreement**" has the meaning ascribed to it in "*Narrative Description of the Business - Develop the PredictMedix Products*";

"**TechM**" means Tech Mahindra Limited; and

"**Transfer Agent**" means National Issuer Services Ltd.

1. ABOUT THIS LISTING STATEMENT

Effective Date of Information

All information in this Listing Statement is as of December 9, 2019, unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this Listing Statement that are not historical facts are "forward-looking statements" or "forward-looking information" (collectively, "**Forward-Looking Information**") (within the meaning of applicable Canadian securities legislation).

Forward-Looking Information includes, but is not limited to, statements relating to the timing, availability and amount of financings; expected use of proceeds; business objectives; results of operations; potential investments; the timing and costs of developing products; success of the products and investments; and requirements for additional capital. In certain cases, Forward-Looking Information can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intended", "anticipates", or "does not anticipate ", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", or "be achieved".

In providing the Forward-Looking Information in this Listing Statement, Cultivar has applied several material assumptions, including but not limited to the assumption that additional financings will be available on reasonable terms, that the objectives concerning its products and investments can be achieved, and that general business and economic conditions will not change in a materially adverse manner. Other assumptions are discussed throughout this Listing Statement and, in particular, in the "*Risk Factors*" found in this Listing Statement.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cultivar to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, risks set out below as well as those factors discussed in the "*Risk Factors*" found in this Listing Statement:

Risk Factors

(1) Risks relating to the Issuer's business in general

- failure to execute any material part of its growth strategy, may harm its future growth and ability to make profitable investments;
- risks associated with foreign markets;
- the Issuer has no source of operating revenue and it is likely it will operate at a loss until it is able to realize cash flow from its financings;
- holders of Issuer Shares are at risk for a substantial loss of capital;
- risks related to cost overruns;
- risks related to proprietary protection;
- risks related to new products and technological change;
- the price for Issuer Shares may fluctuate greatly;
- Issuer may be subject to currency exchange risk;
- risks related to the Issuer entering into strategic alliances or expanding the scope of currently existing relationships, with third parties;
- difficulty to forecast and reliance on its own market research;
- non-operating parent corporation structure;
- taking minority positions in investments may limit the ability of the Issuer to safeguard its investment;
- shared ownership or dependency on partners of Cultivar JA; and
- risks of litigation.

(2) Risks relating to cannabis in Jamaica and Canada

- risks associated with an investment in the cannabis sector;
- public opinion and perception of cannabis can influence regulations;
- unfavourable publicity or consumer perception may inhibit the success of Cultivar's business;
- risks related to licensure;
- risks inherent in the cultivation, and extraction of cannabis and derivative products;
- changes in laws, regulations and guidelines in Jamaica and Canada may alter Issuer's ability to continue its business as proposed to be conducted; and
- Issuer's failure to comply with applicable regulations could prevent it from being able to carry on its business.

(3) Risks relating to Cultivar's management

- dependence on Issuer's management;
- risks related to growth;
- conflicts of interest of its directors and officers; and
- management may not be able to successfully implement adequate internal controls over financial reporting.

Although the parties have attempted to identify important factors that could affect Cultivar and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information.

The Forward-Looking Information contained in this Listing Statement is made as of the date hereof and unless so required by applicable law, Cultivar undertakes no obligation to update publicly or revise any Forward-Looking Information, whether as a result of new information future events or otherwise.

CURRENCY PRESENTATION

Unless otherwise indicated, all references herein to dollars "$" are to Canadian dollars, all references herein to "US$" are to United States dollars and all references to $JAD are to Jamaican dollars

U.S. Dollar

The following table sets out the high and low rates of exchange for one US dollar expressed in Canadian dollars during each of the following periods, the average rate of exchange for those periods and the rate of exchange in effect at the end of each of those periods, each based on the rate of exchange published by the Bank of Canada for conversion of United States dollars into Canadian dollars.

	Period from June 12, 2019 to December 6, 2019	**Year ended January 31, 2018**	**Year ended January 31, 2017**
Highest rate during the period	1.3407	1.3642	1.3743
Lowest rate during the period	1.3038	1.2288	1.2128
Average rate for the period..........................	1.3214	1.3031	1.2920
Rate at the end of the period..........................	1.3255	1.3144	1.3030

On December 6, 2019, the closing rate of exchange posted by the Bank of Canada for conversion of one US dollar into Canadian dollars was US$1.00 equals $1.3255. No representation is made that United States dollars could be converted into Canadian dollars at that rate or any other rate.

Jamaican Dollar

The following table sets out the high and low rates of exchange for one Jamaican dollar expressed in Canadian dollars during the following period, the average rate of exchange for those periods and the rate of exchange in effect at the end of each of those periods, each based on the rate of exchange published by Exchange-Rates.org for conversion of Jamaican dollars into Canadian dollars.

	Period from June 12, 2019 to December 6, 2019
Highest rate during the period	0.01035
Lowest rate during the period	0.00937
Average rate for the period........................	0.00975
Rate at the end of the period........................	0.00943

On December 6, 2019, the rate of exchange posted by Exchange-Rates.org for the conversion of one Jamaican dollar into Canadian dollars equals JAD$1.00 was $0.00943. No representation is made that Jamaica dollars could be converted into Canadian dollars at that rate or any other rate.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

Cultivar Holdings Inc.

This Listing Statement has been prepared in connection with the RTO and listing Cultivar Holdings Inc. ("**Cultivar**" or the "**Issuer**") on the Canadian Securities Exchange (the "**CSE**").

Prior to Closing, the Issuer's head office and its registered and records office is located at 789 West Pender Street, Suite 810, Vancouver, BC V6C 1H2. Following Closing, Cultivar's head office is located at 3000 - 77 King Street West, Toronto, Ontario, M5K 1G8.

2.2 Corporate Jurisdiction

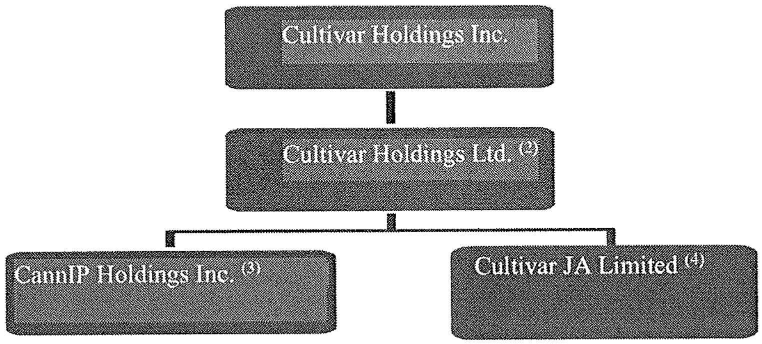
The Issuer was formed on September 3, 1987 under the name "Riviera Explorations Ltd." upon filing articles of incorporation pursuant to the BCBCA.

In 1993, the Issuer changed its name from Riviera Explorations Ltd. to Kentucky Oil & Gas Inc., in 1994 from Kentucky Oil & Gas Inc. to Integrated Card Technologies Inc., in 1997 from Integrated Card Technologies Inc. to Arizona Ventures Ltd., and on from Arizona Ventures Ltd. August 31, 1998 to Admiral Bay Resources Inc. Most recently, on September 23, 2019, the Issuer changed its name from Admiral Bay Resources Inc. to Cultivar Holdings Inc.

There have been no material amendments to the articles or other constating or establishing documents of the Issuer.

2.3 Intercorporate Relationships

The following chart shows the relationship between Cultivar and its subsidiaries [(1)]:



Notes
(1) Unless otherwise indicated, each company holds 100% of the issued and outstanding shares of the subsidiary.
(2) Cultivar Holdings Ltd. is a corporation incorporated under the laws of the OBCA.
(3) CannIP Holdings Inc. is a corporation incorporated under the laws of the OBCA.
(4) Cultivar JA Limited is a corporation incorporated under the laws of Jamaica. CHL holds 49% of the total issued and outstanding shares of Cultivar JA Limited. The remaining 51% interest is owned by local business partners. Please see "*Narrative Description of the Business –Other Income of Cultivar JA*", "*Narrative Description of the Business- Material Contracts*" and "*Risk Factors*" for additional information.

Cultivar JA Limited

The Issuer's Board has considered its options with respect to the corporate structure of the Issuer and its subsidiaries and has concluded that the ownership of Cultivar JA by CHL is the most practical structure for the operation of the business of the CHL.

2.4 Fundamental Change

See "*General Development of the Business – Terms of the Acquisition*".

2.5 Non-Corporate Issuers and Issuers Incorporated Outside of Canada

This section is not applicable.

2.6 Financing Activities

The following is an overview of a number of strategic financings Cultivar (through its subsidiary, CHL) has completed in the past 12 months:

- On December 4, 2018 CHL issued 1,500,000 common shares at $0.10 per share for services.
- On January 30, 2019 CHL issued 200,000 common shares at $0.10 per share for services.
- On May 1, 2019 CHL issued 800,000 common shares at $0.10 for services. This includes 550,000 common shares were issued to a director valued at $55,000.
- On August 12, 2019 a private placement of 3,296,000 units at $0.25 per unit for consideration of $824,000 was completed by CHL. Each unit comprised of one common share and one-half of one common share purchase warrant (each a "**Cultivar Warrant**"). CHL paid finder's fees of $49,320 in cash and issued 66,400 common shares at $0.25 per share.

Please see "*3. General Development of the Business – Issuer's Financing Activities*" for more information.

3. GENERAL DEVELOPMENT OF THE BUSINESS

General Development of the Business of CHL and of the Issuer

The Issuer was initially incorporated with the purpose of engaging in the business of acquiring, exploring and developing natural resource properties with a focus on emerging unconventional gas production. Prior to the completion of the RTO, the Issuer was seeking new opportunities as it did not carry on any business activities nor did it hold any material resource property interests.

CHL acquires CannIP

On July 16, 2018 CannIP and CHL entered into a Securities Exchange Agreement (the "**CannIP Securities Exchange Agreement**"). Pursuant to the terms of this agreement, all of the issued and outstanding shares of CannIP were exchanged on a one-for-one basis of for common shares of CHL. As a result of this agreement, CHL acquired all of the assets of CannIP, including the tea formulations described in "*Narrative Description of the Business – General Business of Cultivar - Sell Dazed Leaf Products*" and PredictMedix technology, as described in " *Narrative Description of the Business – General Business of Cultivar – Develop PredictMedix Technology*".

Terms of the Acquisition

On December 12, 2018 the Issuer entered into a non-binding letter agreement (the "**Letter of Agreement**") whereby the Issuer would become a parent company to CHL. The Acquisition's consideration was satisfied by a share exchange, whereby each common share of CHL was exchanged for one common share of Cultivar (the "**Share Exchange**") upon the closing on September 23, 2019 (the "**Closing**"). Additional information regarding the series of transactions that occurred to effect this reverse takeover are explained below in "- *Issuer's Financing Activities*"

Immediately before Closing, CHL had 97,439,900 common shares issued and outstanding and the Issuer had 6,514,249 common shares issued and outstanding. Following Closing, the Issuer has a total of 103,954,149 common shares outstanding, of which 97,439,900 Issuer Shares were issued to CHL Shareholders.

Upon Closing, the business of CHL became the business of the Issuer. In turn, Cultivar now operates as a cannabis corporation focusing on a breadth of cannabis offerings, including with respect to cultivation, impairment technology, as well as various cosmetics and tea products. The Issuer is backed by a group of successful entrepreneurs, academics, and medical professionals with extensive experience and relationships throughout the cannabis industry in both Canada and Jamaica. Particularly, Mr. Sheldon Kales a current board member and CEO of Cultivar, has vast experience in capital markets and finance, having managed numerous research and development operations of technology companies across the United States, Canada and the Middle East. Dr. Rahul Kushwah, also a current board member and presently serving Chief Operating Officer of Cultivar, is an accomplished scientist specializing in stem cells, genetics, immunology and regenerative and personalized medicine. His vast expertise combined with relationships both academic and throughout the cannabis industry greatly compliment Cultivar's management team.

In addition to Mr. Kales and Dr. Kushwah, and as of the date hereof, the Issuer's Board also consists of: Ajit Kumar and Tom Sipos. Rakesh Malhotra currently serves as the Issuer's CFO.

Both Sheldon Kales and Rahul Kushwah are also the sole directors of CHL, as well as serve as the company's only officers.

Issuer's Financing Activities

In connection with the completion of the reverse takeover, a series of transactions were completed resulting in a reorganization of Amalco and CHL, as a result of which, the Issuer became the direct parent of CHL (the "**RTO**"). The principal steps of the reorganization were as follows:

- a wholly owned subsidiary to Cultivar, Newco, was incorporated under the laws of the OBCA;
- Newco merged with Cultivar Holdings Ltd. (forming Amalco);
- Amalco (CHL) became a wholly owned subsidiary to Cultivar.

Following completion of the RTO, Cultivar holds all of the outstanding voting shares of Amalco. The Issuer will operate and control all of the business and affairs of Amalco and, through Amalco and its subsidiaries, will conduct the business currently carried on by CHL.

The following is an overview of a number of financings and share issuances that Cultivar (through its subsidiary of CHL) has completed:

- CHL issued 30,000,000 common shares, as founders' shares, for $30.
- On February 20, 2018 CHL issued 7,490,000 common shares at a price of $0.05 per share raising gross proceeds of $374,500. CHL issued 275,000 common shares as finder's shares.
- On April 16, 2018 CHL issued 1,380,000 common shares at $0.05 per share raising gross proceeds of $69,000.
- On July 16, 2018 CHL issued 29,800,000 common shares pursuant to the CannIP Securities Exchange Agreement.
- On October 15, 2018 CHL issued 16,125,000 common shares at $0.05 per share raising gross proceeds of $806,250.
- On October 19, 2018 CHL issued 6,507,500 common shares at $0.10 per share raising gross proceeds of $6,507,500.
- On December 4, 2018 CHL issued 1,500,000 common shares at $0.10 per share for services.
- On January 30, 2019 CHL issued 200,000 common shares at $0.10 per share for services.
- On May 1, 2019 CHL issued 800,000 common shares at $0.10 for services. This includes 550,000 common shares were issued to a director valued at $55,000.
- On August 12, 2019 a private placement of 3,296,000 units at $0.25 per unit for consideration of $824,000 was completed by CHL. Each unit comprised of one common share and one-half of one Cultivar Warrant. CHL paid finder's fees of $49,320 in cash and issued 66,400 common shares at $0.25 per share.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

General Business of Cultivar

Having completed the RTO with CHL, Issuer's business has changed, thereby redirecting its resources and changing the nature of its business from acquiring, exploring and developing natural resource properties to an early stage cannabis company. The Issuer intends to cultivate cannabis in Jamaica as well as manufacture natural, consumable cannabis health products and impairment dependency and detection devices.

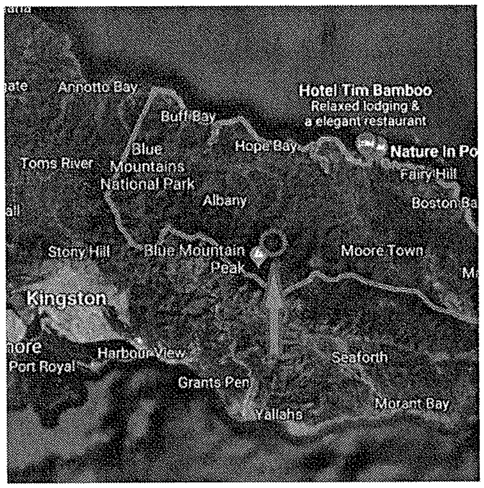
Cultivar's wholly-owned subsidiary, CHL, has already obtained conditional licences to grow, transport and cultivate high quality cannabis in Jamaica. While awaiting receipt of the final licences, the Issuer plans to concentrate its resources on strategic partnerships in order to help it establish a recognizable and reputable brand name.

The Issuer has also developed teas, cosmetics and various ointments that can be used to help treat a number of health conditions. Additionally, CHL has developed artificial intelligence powered technology to detect cannabis and alcohol impairment and is currently in the process of testing.

Cultivate cannabis

As of the date of this Listing Statement, Cultivar has not commenced the cultivation or the manufacture of any cannabis products. However, the natural teas created under the Issuer's Dazed Leaf division, as well as the formulations for Cultivar's cosmetics under its Vivir Cosmetic division, have already been developed. Providing a necessary supply of materials are obtained and regulatory requirements are met, these products are ready to be offered to market.

On February 22, 2018 Cultivar's wholly-owned subsidiary, CHL, entered into a lease agreement (the "**Lease**") for one acre of land in Portland, Jamaica to grow cannabis outdoors (the "**Leased Premises**"). The Leased Premises offers great conditions to grow cannabis, attributed to favourable sunlight, rainfall and temperatures, access to water and to electricity. As well, it is conveniently located on a main road for easy logistical movements and has lower costs of utilities and labor when compared to growers in other geographic locations.



The period of the Lease is three years from such date that CHL receives final approval for the Licences. The total annual cost to rent this property is JAD$1.5 million (approximately $14,811) and payment is required on the first day of each month. The Lease agreement has been and continues to be in good standing.

Cultivar is also in discussions to purchase 10 acres of land, a portion of which is located on the Leased Premises. No formal agreement has been entered into at such time. The purchase of this property will enable the Issuer to expand its cultivation efforts on a larger scale.

The Issuer's current and future business activities are focused on, but are not limited, to:

- a cannabis-based integrated business model;
- cultivate and distribute the cannabis flower and CBD across Jamaica;
- expand the operations described in the above bullet by purchasing additional land in Jamaica;
- produce and distribute edibles, including its Dazed Leaf products mentioned below; and
- export the cannabis flower and CBD internationally, including to Canada and potentially the European Union, South America and various Caribbean countries.

Licences

On May 1, 2019, Cultivar JA obtained conditional approval for the following four licences by the Cannabis Licensing Authority of Jamaica (collectively, the "**Licences**"):

- Cultivator's (Tier 2) Licence;
- Processing (Tier 2) Licence;
- Retail (Herb House – Without Facilities for Consumption) Licence; and
- Transport Licence.

Conditional approval for the Cultivator's (Tier 2) Licence, the Processing (Tier 2) Licence and the Retail (Herb House – Without Facilities for Consumption) Licence is subject to the Leased Premises meeting the Cannabis Licensing Authority's pre-licence site inspection. Approval for the Transport Licence is conditional upon the vehicles meeting the Cannabis Licensing Authority's pre-licence vehicle inspection criteria and adhering to the Cannabis Licensing

Authority's motor vehicle and transport policy. For additional information, please see "- *Use of Proceeds –Cultivar JA*".

Upon receipt of the final Licences from the Cannabis Licensing Authority, the Issuer (through CHL) will be able to sell hemp flowering heads to consumers throughout Jamaica. As well, the Issuer can sell the flowering heads, leaves, and branches of hemp to other cannabis and industrial hemp producers in Jamaica. The non-viable grains, bare mature stalks, stalk fiber and roots can be sold to companies which can produce hemp seed oil, hemp protein powder, paper products and other products.

500,000 Issuer Shares will also be issued upon receipt of the Licences (at nominal consideration) as a performance fee to Cultivar's management upon receiving final approval from the Cannabis Licensing Authority.

Export of cannabis from Jamaica

The Cannabis Licensing Authority is currently finalizing legislation that will allow producers to export cannabis in Jamaica. These regulations will give the Cannabis Licensing Authority jurisdiction to handle requests for the import and export of ganja buds and resin oil. The Minister of Industry, Commerce, Agriculture and Fisheries, Audley Shaw, has stated that producers could earn approximately JAD$30 million per gallon (or about $300,000) for exported marijuana oil.[1] Once promulgated, Jamaica will be one of ten countries in the world with an export regime.[2] Cultivar expects that following the introduction of this legislation it will export its products to globally, with a particular focus on licence holders in Canada.

The *Cannabis Act* came into effect on June of 2018 which, among other things, legalized recreational cannabis in Canada. As well, the Cannabis Regulations allow for the controlled production, sale, movement, processing, exporting and importing of industrial hemp and hemp products that conform to conditions imposed by the Cannabis Regulations. Under these Cannabis Regulations, industrial hemp seeds must be of a variety listed in Health Canada's List of Approved Cultivars. Plants and plant parts may not contain more than 0.3% THC when sampled and tested in the approved manner. Products made or derived from hemp must not contain more than 10 micrograms of THC per gram.[3] Since the implementation of the Canadian *Cannabis Act* and the Cannabis Regulations, the country has been subject to a shortage of supply in cannabis. This shortage is attributed in part to the government's licensing process and the resources available to licence holders. For Cultivar, this shortage presents an ideal market to sell the Issuer's cannabis to. The Issuer will continue to monitor legislative developments to ensure that the exported product meets the requisite Canadian requirements. As well, the Issuer intends to obtain the advice of necessary professionals both in Jamaica and Canada on an as-needed basis in order to implement this objective.

Sell Dazed Leaf Products

CHL has developed CBD infused tea blends and nutraceutical products under its "**Dazed Leaf**" division. All tea blends were developed by a team of scientists and naturopaths and are free of chemicals, flavourings and preservatives. To date, the following blends have been developed:

- **Total Detox Tea**: described as a divine, warm, and aromatic infusion of 12 herbs, supplemented with hints of sweet and spicy flavors;
- **Athletic Power Tea**: described as minty, full-bodied muscatel infusion of 13 herbs, balanced with peppery and lemony undertones;

[1] International Drug Policy Consortium - Jamaican ganja export regulations to be finalised September: https://idpc.net/alerts/2019/08/ganja-export-regulations-to-be-finalised-september

[2] Jamaican Information Service – Import/Export Regulations for Cannabis Soon: https://jis.gov.jm/import-export-regulations-for-cannabis-soon/

[3] Ontario Ministry of Agriculture, Food and Rural Affairs FactSheet: http://www.omafra.gov.on.ca/english/crops/facts/00-067.htm

- **Skin Glow Tea**: described as luscious, refreshing infusion of 7 herbs, complimented with fragrant rosy richness;
- **Immune Balance Tea**: described as an earthy, balanced infusion of 14 herbs, accentuated with fruity and floral hints; and
- **Passion Redefined Tea**: described as a bold, full-flavored and heavenly infusion of 9 herbs, accented with enticing bold, citrusy taste and fragrance.

The Dazed Leaf tea products can be used to create a euphoric and relaxing effect and to help treat a variety of ailments including: to suppress or stimulate appetite, to increase antioxidant levels in the blood, to assist with constipation and to help support cardiovascular functioning (among others). As well, they can be used to promote or enhance arousal and sensitivity, suppress muscle spasms, reduce inflammation and to help promote a healthy blood sugar. The target market for the Dazed Leaf tea products are Jamaican consumers (both for recreational and healthcare purposes) and in Canada. Cultivar is currently in discussions with a third party manufacturing and packaging company based out of Barrie, Ontario who will assist in the production and packaging of the teas.

As well, Dazed Leaf has developed CBD infused cosmetic products through its "**Vivir Cosmetics**" line which include a face mask, serum and a moisturizer. CBD infused cosmetics can have many benefits, including reduced inflammation, anti-aging, moisturizing and efficacy in treating some skin disorders. The Issuer intends to expand its sale and distribution of these products to consumers on a global scale.

Develop the PredictMedix Products

When an individual is under the influence of an impairing substance, that individual can be unable to safely perform certain tasks. For example, the use of drugs, such as cannabis, or alcohol can impair an individual's physiological and/or psychological state. When the task to be performed requires the individual to be alert and/or focused, impairment can lead to significant safety risks. For example, an impaired individual operating a vehicle (or other heavy machinery) can lose control of the vehicle and cause harm to himself or herself and nearby individuals and property. Detection of impairment in individuals, therefore, can mitigate, or possibly even prevent, any accidents resulting from actions of impaired individuals.

With alcohol, blood alcohol concentration is primarily used as a measurement of intoxication. An individual's blood alcohol concentration after consuming alcohol can depend on various factors, such as, but not limited to, the ingredients of the beverage, rate of alcohol consumption, and the individual's personal characteristics (e.g., age, gender, body type, metabolism, emotional state, alcohol tolerance, etc.). Without undergoing a blood test at a time proximal to consuming alcohol, it can be difficult to accurately estimate one's blood alcohol concentration. An often used instrument to measure blood alcohol concentration is the breathalyzer. Although convenient, the breathalyzer has limitations. Firstly, before using the breathalyzer, it is important to properly calibrate the instrument to obtain an accurate estimate. As well, the timing at which the breathalyzer is used following consumption of food and/or alcohol can also affect the accuracy of the measurement. The technology of PredictMedix can help minimize some of the challenges faced by breathalyzer testing in order to provide police departments, insurance providers, manufacturers, mining companies, aviation and aerospace organizations and security institutions and other professionals with more dependable results.

Impairment resulting from cannabis use is also a growing concern. Medical and recreational use of cannabis has been recently decriminalized or legalized in many countries. In Canada, cannabis for recreational use was legalized in 2018, while medical use has been legal since 2001. In the United States, although currently illegal at the federal level, medical and recreation use has been legalized in numerous states. This recent legalization and decriminalization of recreational cannabis has led to an increased awareness of the effects that cannabis can have on the motor skills and mental judgment of individuals – in particular, when they are operating heavy machineries, such as motor vehicles.

Impairment resulting from cannabis use can be difficult to detect. The concentration of cannabis (and its psychoactive constituents) present within an individual who recently used cannabis are typically very low. The impairment can also result from various impairing substances, such as but not limited to, a combination of alcohol and drugs.

Unlike traditional methods which rely on explicit programming, the PredictMedix system generates analytical models by determining patterns within each set of training data and making inferences from each set of training data. PredictMedix's artificial intelligence technology can identify an individual's impairment to cannabis and alcohol. The proprietary algorithms for this technology utilize multiple features along with numerous different data points (identified via facial and voice recognition) and can detect impairment within 30 seconds. Testing does not require any body fluids or human intervention, thereby helping to remove human error and the potential for discrimination and prejudice. This technology is currently patent pending and is further discussed in "- *Use of Proceeds – PredictMedix*".

CHL intends to licence this technology to customers based on a set price per month for an allocated number of tests. This licence fee will provide CHL with steady, ongoing revenue that will help provide stability to the company's financial health. Additionally, any customer that uses tests in excess of the allotted monthly number will be charged an extra fee. The target market for this technology includes police departments and mining companies, among others.

On March 18, 2019 CHL entered into a teaming agreement (the "**Teaming Agreement**") with Tech Mahindra Limited ("**TechM**"), a subsidiary of Mahindra Group. Tech Mahindra is the highest ranked Non-U.S. company in the Forbes Global Digital 100 list (2018) and in the Forbes Fab 50 companies in Asia (2018). The company has extensive relationships and expertise providing information technology services and business process outsourcing to various international companies. Pursuant to the Teaming Agreement, TechM will identify and invite Cultivar to participate in joint submissions for proposals to potential customers of its PredictMedix products. In the event that a proposal is accepted by a customer and TechM is retained for a project, TechM and CHL will enter into an agreement whereby TechM will maintain responsibility for the overall project and may subcontract portions of the project to CHL. Additionally, TechM has agreed to provide consulting, marketing, maintenance, software development and integration services at no cost, in order to help promote PredictMedix's products. All costs or expenses arising from this Teaming Agreement or its implementation are required to be borne by the respective party. Cultivar expects this agreement to invite the opportunity to sell its PredictMedix technology to the mining division of the company as well as to its parent company, Aditya Birla which has annual revenues exceeding US$40 billion.

On March 19, 2019 CHL entered into a Memorandum of Understanding with Hindalco Industries Limited ("**Hindalco**"), whereby CHL will conduct pilot studies of its products and solutions in Hindalco manufacturing facilities. No cost will be borne by CHL to complete this testing. Hindalco is one of the world's largest aluminium rolling companies and one of the biggest producers of primary aluminium in Asia. This will allow CHL not only to test PredictMedix technology in a mining environment, but also to optimize the technology for detecting impairment in the mining industry.

On August 20, 2019 CHL entered into an agreement with Algo8 Inc. to conduct an alcohol and cannabis impairment study using its proprietary artificial intelligence technology with over 3,000 participants. The total cost of the study is estimated at $155,000. The study with Algo8 Inc. will be one of the largest studies of its kind, globally. Notably, the completion of the study will help PredictMedix launch its products to market as well as help CHL gain exposure in peer reviewed scientific articles thereby validating the science behind its technology. The scale and breadth of this study will also distinguish CHL from other competitors, in order to properly position it to market its technology. The media attention that will be generated as a result of this study is also expected to compliment management's relationship with various academics and institutions in order to further gain legitimacy.

The teaming partnerships and testing by TechM and Algo8 will provide the company with "market ready" products that can then be distributed to various targets already discussed. Cultivar also anticipates that the findings from the studies will be disseminated via peer reviewed scientific publication, which will assist the Issuer in expediting efforts to launch its technology to its customers. Cultivar also anticipates that this will help it achieve its exposure into the academic market and become a recognized leader in impairment detecting and predicting technologies, thereby distinguishing the company from its competitors. It will also allow the Issuer to bring its products to as there are no barriers to market.

For additional information, please see "- *Use of Proceeds –PredictMedix*" and "- *Intangible Property*".

Develop Predict Opioid

CHL has also developed a genetic test called Predict Opioid ("**Predict Opioid**") that can be used to predict the likelihood that an individual will develop an addiction to alcohol, cannabis and opioids. This test also provides insight as to how an individual is likely to react to different substances. Understanding one's predisposition to develop an addiction can be helpful for many reasons, including to help healthcare providers make an informed decision when prescribing medications and dosage to patients. It is intended that Predict Opiod will be used by healthcare practitioners, addiction clinics, hospitals, pain clinics and cannabis clinics, however the company continues to explore other target markets as well. CHL intends to introduce the products to market by utilizing the relationships of its management and other connections, before proceeding with formal marketing efforts. As well, the Issuer will engage pharmaceutical sales representatives and attend various road shows to help market and distribute the sale of this test.

To date, no revenue has been generated as a result of CHL's Predict Opioid test. This product is expected to launch in the first quarter of 2020.

Enforcement of Legal Rights in Jamaica

The Issuer is incorporated under the provincial laws of British Columbia. The Issuer's business operations are primarily located in Canada, with some of its operations in Jamaica. The Issuer's head office and registered office is in Canada. Some of the Issuer's assets are located outside of Canada. As a result, shareholders may not be able to effect service of process within Canada upon certain of Cultivar JA's directors or officers or to enforce against certain of Cultivar JA's directors or officers in Canadian courts predicated on Canadian securities laws. Likewise, it may also be difficult for a shareholder to enforce judgments obtained against these persons in courts located in jurisdictions outside of Canada, in Canadian courts. It may also be difficult for a shareholder to bring an original action in a Jamaican or other foreign court predicated upon the civil liability provisions of Canadian securities laws against the Issuer or these persons.

The Jamaican government and judiciary recognize, register and enforce foreign money judgments provided that certain conditions are met and procedures followed. These conditions and procedures are stated in legislation, including the *Judgments and Awards (Reciprocal Enforcement) Act, 1923* and the *Judgments (Foreign) (Reciprocal Enforcement) Act of 1936* (the "**1936 Act**"), as well as in the common law provisions through proceedings held in the Jamaican Supreme Court. The 1936 Act requires that in order for the judgment to be registered in Jamaica, there must be "substantial reciprocity of treatment" in the Superior Courts of that foreign country of judgments given in the Supreme Court of Jamaica. Where there is reciprocity in the Superior Court of the foreign country the Governor General of Jamaica may order that the aforesaid legislation will apply to the judgments of that foreign court. This reciprocity of treatment is a prerequisite for enforcing foreign judgments.

Although decisions from courts outside of Jamaica are not binding, they may be referred to as a persuasive authority particularly where there is no local case which has settled the point in issue. Further, Jamaican counsel will generally use cases from Canadian common law courts, *inter alia*, especially on matters that have not been tested in local courts.

Judgments of Canadian courts based upon the civil liability provisions of Canadian securities law may also be enforceable against Cultivar JA in Jamaica under the relevant legislation (the 1923 Act and the 1936 Act), as well as in Part 72 of Jamaica's *Civil Procedure Rules*. For a monetary judgment, an application for registration of a foreign judgment for enforcement is made to the Supreme Court of Jamaica by way of Fixed Date Claim Form and a supporting Affidavit, which sets out the circumstances and process surrounding the issuance of the foreign judgment. After the court gives permission to register a foreign judgment, the judgment creditor is required under rule 72.6 of Jamaica's *Civil Procedure Rules* to give notice of the registration to the judgment debtor. The notice must be personally served or in such other manner as the court may direct. A company may make an application to set aside the registration of a foreign judgment.

Part 72 of Jamaica's *Civil Procedure Rules* only applies to the registration and enforcement of foreign judgments that may be registered under the provisions of the Acts. Given that not all foreign countries have reciprocal enforcement of judgment agreements with Jamaica or have been deemed to be jurisdictions to which the Acts apply, a judgment creditor cannot always rely on the Acts and Part 72 of Jamaica's Civil Procedure Rules to enforce foreign judgments and will have to rely on the common law. At common law a foreign judgment is considered to create an implied contract to pay specified sums of money. This may be judicially enforced subject to the defences of fraud, being contrary to public policy or the foreign proceedings were contrary to natural or substantive justice. In essence, the common law permits a judgment creditor to sue for his judgment debt as a simple contract debt subject to the stated defences, however, a fresh inter parties proceedings has to be commenced.

Historically, foreign non-monetary judgments were considered unenforceable in local courts, which has proven frustrating to litigants. The common law has however progressed so that both monetary and non-monetary awards (in certain circumstances) can be enforced in local courts. The greatest support to this notion was a Canadian case.

Emerging Market Disclosure in Jamaica

The following section is prepared with regard for OSC Staff Notice 51-720 - *Issuer Guide for Companies Operating in Emerging Markets*.

(i) Business and operating environment

<u>What role does the foreign government and regulatory authorities have in foreign operations?</u>

Cultivar JA Limited was incorporated pursuant to the laws of Jamaica and is therefore subject to Jamaican law. The Issuer operates in Jamaica under CHL, which owns a minority-interest in the subsidiary. It is therefore subject to the Jamaican legal framework pertaining to its corporate law requirements and cannabis industry. The corporation's books and records are located at its registered and head office address in Jamaica and at the Issuer's address in Canada.

<u>Have restrictions or conditions been imposed, or can they be imposed, by the foreign government and regulatory authorities on the company's ability to operate in the foreign jurisdiction?</u>

Jamaican law requires that if a company is to apply to the Cannabis Licensing Authority for a license to handle cannabis, it must be registered with the Companies Office of Jamaica with 'substantial' ownership and control by persons 'ordinarily resident' in Jamaica. As a result, CHL holds 49% of the total issued and outstanding shares of Cultivar JA, while the remaining 51% interest is owned by local Jamaican business partners. As well, and to help govern the relationship and mitigate risks between CHL and Cultivar JA, the parties have entered into an Investor Agreement, as more fully described under the heading "*Narrative Description of the Business- Material Contracts*".

<u>What is the legal environment of the foreign jurisdiction? How does the legal system operate and how may it impact the company?</u>

Jamaica operates under a common law legal system and has adopted the Westminster parliamentary system.

<u>What regulatory requirements is the company or its business or operations subject to in the foreign jurisdiction?</u>

Jamaican companies have many of the same characteristics of companies in Canada, including: (i) officers responsible for the day-to-day management of the company; and (ii) a board of directors who supervise the governance of the company. The management of Cultivar JA is further described below under "*—Risk management and disclosure*". Furthermore, the duties of directors of companies, including to act in good faith, exercise care, diligence and skill) are codified under the *Companies Act of Jamaica*. A director will be penalized should he or she fail to abide by these corporate law requirements.

<u>Does the board have access to relevant expertise to ascertain the political, legal and cultural realities of the jurisdiction where the company's principal business operations are located, and the impact they may have on the company's business or operations?</u>

The board of Cultivar JA has engaged professional advisors (legal, financial, and technical) with the relevant expertise to provide assistance in the political, legal and cultural realities of Jamaica. The board of Cultivar JA will continue to have access to those professional advisors and may seek additional advisors in any new jurisdiction in which it may determine to operate in the future.

<u>What are the banking customs in the foreign jurisdiction? How do they differ from Canadian customs?</u>

On September 30, 2019, the Ministry of Finance & Public Service of Jamaica published an article[4] summarizing Moody's Investors Service findings, including that it had upgraded Jamaica's sovereign senior unsecured rating and provisional shelf ratings from positive to stable. This rating was reported to be supported by the following factors: Jamaica's significant and sustained fiscal consolidation and strong commitment to continued reforms to reduce the government's high debt burden; and significant improvement in the current account and reduced external vulnerability. The agency was also reported to have commended Jamaica's recent policy effectiveness reflected in credit positive fiscal consolidation and structural reforms coupled with the government's continued commitment to fiscal reforms, and growth enhancement strategy through FDI-financed investment in tourism and infrastructure. Jamaica has also been designated as the highest ranking Caribbean country in the World Bank Ease of Doing Business ranking[5]. This ranking speaks to the strength of the country's business regulatory environment.

<u>Are there any restrictions on the company's ability to transfer and/or verify the existence of funds in bank accounts located in foreign countries?</u>

As of the date of the Listing Statement, there are no restrictions on the import or export of local or foreign currency.

<u>Where are the company's books and records located and are there any access restrictions?</u>

Cultivar JA maintains its registered and head office in Jamaica. Its books and records are located at both its Jamaican and Canadian addresseses. The Issuer maintains a registered office in and a head office in Canada. The Issuer's books and records will be located at its address in Canada.

(ii) Language and cultural differences

<u>Does the composition of the board provide the appropriate level of knowledge and expertise in the language and cultural practices of the emerging market?</u>

There are no significant language or cultural differences that management expects to impact the business of the Issuer or its subsidiaries, or Cultivar JA.

<u>Has the board engaged with local management to understand the manner in which business is conducted in the foreign jurisdiction?</u>

Cultivar JA's COO, Mr. Eugene Ffolkes, is well-suited to bridge the cultural gap between Canadian affairs and those in Jamaica. Mr. Ffolkes has dual citizenship in both Jamaica and Canada and has international training in finance, and deep contacts and understanding of the Jamaican business environment. The Issuer will utilize the relationships that Mr. Ffolkes has in order to develop relationships with Jamaican customers. Further, Mr. Ffolkes also has had global education and having completed the following: a Bachelor of Arts and MBA in Canada and executive courses at Stanford University, IMD in Europe and Israel. His business experience and education positions him as an ideal candidate to help lead Cultivar JA in its Jamaican operations.

<u>Does the board have access to resources, beyond local management or local directors who are not independent, that can help overcome language and cultural issues?</u>

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[4] Ministry of Finance & Public Service of Jamaica - Moody's Investor Services Upgrades Jamaica Sovereign Rating and Revises Outlook from Positive to Stable: https://mof.gov.jm/mof-media/media-centre/press/2397-moody-s-investor-services-upgrades-jamaica-sovereign-rating-and-revises-outlook-from-positive-to-stable.html

[5] World Bank Doing Business Report 2019: https://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf

The Issuer's Board will engage professional advisors (legal, financial, and technical) with the relevant expertise to provide assistance in the political, legal and cultural realities of Jamaica on an as-needed basis.

(iii) Corporate structure

Is the company's corporate structure consistent with its business model and the political, legal and cultural realities of the jurisdiction where its principal business operations are located?

The Board has determined that Cultivar's corporate structure is consistent with its business model and the realities of the jurisdiction in which primary operations will occur, being Jamaica. The directors and management of CHL and Cultivar JA will fulfill their duties as directors and management under the oversight of the Board within the Canadian corporate governance framework and with the guidance of Canadian legal counsel, as well as Jamaican counsel (as needed).

Have the risks associated with the company's corporate structure been identified and evaluated? Does management have appropriate controls in place to address those risks?

CHL's sole officers are Mr. Sheldon Kales and Mr. Rahul Kushwah, both of whom are also members of the Board and officers of Cultivar JA. Cultivar's CFO, Mr. Rakesh Malhotra, is also presently the CFO of Cultivar JA. The overlapping leadership between the Issuer and Cultivar JA helps Cultivar maintain a level of control over the affairs of the Jamaican company, thereby minimizing risks related to overseas operations.

(iii) Risk management and disclosure

Does the board have a full understanding of the risks facing the company and how those relate to the overall risk appetite of the company?

The Board has a full understanding of the risks facing the Issuer. The Issuer shares similar risks of other junior cannabis issuers.

Does the board ask probing questions and seek confirmations that decisions made by management are consistent with board-approved strategies and the company's overall risk appetite?

The Board of the Issuer will ask probing questions and seek confirmations that decisions made by management are consistent with board-approved strategies and the Issuer's overall risk appetite.

Does the board regularly engage with management to review and update the risk identification and management strategy?

The Board will have direct access to management of Cultivar JA as Mr. Kales, Mr. Kushwah and Mr. Malhotra are all officers of the Issuer as well. Going forward, the Board intends to review and update its risk identification and management strategy on an as-needed basis.

Does the board obtain confirmation from management that risk exposures are in compliance with established limits?

The Board will obtain confirmation from management that risk exposures are in compliance with established limits.

Does the board have a clear understanding of the internal controls and processes in place to respond to risk?

The Board will ensure that all members have a clear understanding of the internal controls and processes in place to respond to risk. The Board will ensure that all members have a clear understanding of the internal controls and processes in place to respond to risk.

(iv) Internal controls

What has management done to determine if the company has the proper internal controls in place to address each of the identified risks, in particular the risks associated with operating in an emerging market?

Management of the Issuer will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place.

What are the auditor's views on the company's internal controls?

The financial statements of Cultivar JA will be audited by the auditor of the Issuer and its subsidiaries then appointed at such time. As of the date of the Listing Statement Cultivar's auditor is Buckley Dodds LLP. This auditor is independent to the Issuer and its subsidiaries and, to the knowledge of the Issuer, adequately understands the Issuer and its subsidiaries' risks and challenges as well as has appropriate procedures to address same.

(v) Use of and reliance on experts

Has the company considered the significance of expert's work on the company's operations and the potential impact on the company of an error or inaccuracy in the expert's work?

The Issuer expects to regularly rely on the expertise of its professional advisors and consultants, including Jamaican legal counsel, and the Board and management of the Issuer are cognizant of the significance of any expert report or opinion rendered on behalf of the Issuer and the potential impact on the company of an error or inaccuracy in the expert's work.

Has the company considered differences between local customs and practices in the emerging market compared to Canada, and the adequacy of the rules of professional conduct developed by the professional organization of the expert in the emerging market?

The Issuer has considered differences between local customs and practices in the emerging market compared to Canada, and the adequacy of the rules of professional conduct developed by the professional organization of the expert in the emerging market.

(vi) Oversight of the external auditor

Does the auditor have sufficient experience in the accounting and tax rules of the foreign jurisdiction?

To the knowledge of the Issuer, the auditor has sufficient experience.

Does the auditor understand the risks and challenges facing the emerging market issuer, and does it have sufficient appropriate audit procedures to address them?

To the knowledge of the Issuer, the auditor adequately understands such risk and challenges and has appropriate procedures to address same.

Use of Proceeds

Cultivar expects to have approximately $1,950,000 available for the principal purposes of supporting ongoing research and development activities, capital expenditures and general corporate purposes. 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 also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by the Issuer will be available, if required. It is anticipated that the available funds will be sufficient to satisfy the Issuer's objectives for the forthcoming 12-month period. The amounts shown in the table below under "*-Funds Available*" are estimates only and are based on the information available to Cultivar as of the date of this Listing Statement.

Business Objectives and Milestones

The business objectives of Cultivar are summarized in the following chart:

Objective	Estimated Costs	Timeline
Construct a facility in Jamaica to grow, cultivate and manufacture this cannabis	Approximately $235,000	Cultivation expected to commence in 2020.
Become a manufacturer and wholesale of consumable cannabis products, including cosmetics, natural health products, pharmaceuticals, oils and edibles	Unknown at this time.	Not before December 16, 2019 (in Canada).
Complete development of artificial intelligence technology to detect if an individual is under the influence of cannabis and alcohol, and to have this technology used by various workplaces and law enforcement agents	Approximately $217,000(1)	Testing for PredictMedix technology is ongoing. Predict Opioid is expected to be launched in the first quarter of 2020.

__Notes:__

(1) This includes conducting an artificial intelligence study with 3,500 subjects, artificial development and coding fee, and facial scanner fees.

To help meet its objectives, the Issuer intends to execute the following strategies:

- Brand strategy:
    - sell high quality Dazed Leaf products by using online mediums (including websites) across Canada and throughout legalized states in the US;
    - conduct promotional campaigns of the Dazed Leaf products using various mediums of social media;
    - create partnerships with pharmaceutical representatives in order to sell its Predict Opioid technology;
- Product strategy:
    - cultivate and export high quality cannabis in Jamaica for its sale and manufacture different consumer products; and
- Outreach strategy: become a recognized expert in cannabis and its effect on impairment by publishing academic articles and studies.

In response to regulatory and market uncertainty, the Issuer plans to have a flexible and adaptable business strategy. Additionally, Cultivar intends to continue developing additional product lines in order to diversify its sources of revenue. A wider product offering and diversified revenue will help improve the sustainability of the Issuer's operations.

Funds Available

The pro forma working capital position of the Issuer is estimated to be $1,950,000.

Source of Funds	($)
Net proceeds available from various private placements of CHL[(1)]	2,281,000
Existing unrestricted cash available	1,950,000

Notes

(1) Please see "*3. General Development of the Business – Issuer's Financing Activities*" for more information.

Principal Proceeds

The Issuer's Board anticipates using available funds in the following manner over the next 12 months. The following table also sets forth the estimated working capital and amounts and sources of other funds as at the dates of this Listing Statement:

Expenditure	($)
Construction and related capital expenses for cultivation of cannabis by Cultivar JA	235,000
Artificial intelligence study and development costs	205,000
Facial recognition development	12,000
Administrative expenses	546,000
Working capital	952,000
TOTAL	**1,950,000**

Cultivar intends to spend the funds available to it to further its stated business objectives. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Issuer to achieve its stated business objectives. In the event that it wishes to complete any capital expenditures in addition to the amounts set forth above, the Issuer will utilize its unallocated working capital and, if required, raise additional capital through equity or debt financing. There is no assurance that Cultivar will be successful in raising additional capital or that if additional capital is required, that it will be available on terms acceptable to the Issuer.

Principal Products and Services Market

Cultivar was previously a natural resource company with a focus on emerging unconventional gas production company. Following receipt of the requisite Licences, the Issuer will cultivate, produce and sell cannabis-related products, including those offered by its Dazed Leaf division. As well, the Issuer will continue to test, develop and market its PredictMedix technology and distribute the Predict Opioid testing.

As of the date of this Listing Statement, Cultivar has not begun cultivation or production of any cannabis products.

Cultivar JA

Cultivar JA is focused on growing and cultivating high quality cannabis in Jamaica. Among the benefits of producing cannabis in Jamaica include excellent weather conditions, attributed to favourable rainfall, natural light and seasonal temperatures. Additionally, Jamaica's favourable climate permits an average of 5 to 6 growth cycles (each at approximately 8 weeks long) per year. As discussed, cannabis can be used to make a variety of products including those already offered under Cultivar's Dazed Leaf and Vivir Cosmetics line in addition to other products such as topicals, oils, capsules, and for other edible and medicinal purposes. As well, the Issuer is also considering the sale of the flowering heads, leaves, and branches as well.

Dazed Leaf

With respect to its Dazed Leaf division, the Issuer intends to use proceeds to:

- distribute tea and cosmetic products using online websites and advertise using various methods of social media;
- develop partnerships with various health food stores, supermarkets, dispensaries, e-retailers, holistic health practitioners and naturopathic doctors;
- develop and launch additional Dazed Leaf products; and
- perform human clinical studies for peer reviewed medical journals.

Although the Dazed Leaf products are ready to be launched to market, cannabis is a controlled substance and therefore is subject to legislation. Particularly, the *Cannabis Act* came into force on October 17, 2018 and regulates the strict framework for controlling cannabis sale, possession, production and distribution in Canada. Additionally, this legislation provides that effective October 17, 2019, the production and sale of edible cannabis, cannabis extracts and cannabis topicals will be legal in Canada by provincial and territorial retailers and federally license and sellers of cannabis for medical purposes. Attributed to this transition, management of Cultivar does not expect to commence the sale of products within Canada before December 16, 2019.

PredictMedix

Testing for PredictMedix is ongoing and Cultivar is in the process of obtaining a patent application. Proceeds raised will be used to fund costs affiliated with: obtaining intellectual property rights, working towards launching the product for detection of cannabis and alcohol impairment at workplace, and completing impairment studies. It is expected that the completion of the impairment study will permit the company to present a "market ready" product for distribution. Please refer to "*- Develop the PredictMedix Products*" for additional information.

Cultivar's management expects that it will launch Predict Opioid in the first quarter of 2020. The Issuer intends to use proceeds in order to solicit pharmaceutical representatives (who operate on a commission basis) to assist in the sale of the product as well as to attend various medical trade shows.

Specialized Skills and Training

Cultivar will employ highly skilled medical professionals, business and marketing personnel, seasoned growers and specialized cultivators. The Issuer intends to possess all of the necessary skills in-house to effectively cultivate and coordinate the manufacture of cannabis products, as well as to assist in the research and development of new products.

Intangible Property

In addition to the application for Licences discussed above in "*Narrative Description of the Business – Licences*", Cultivar has also been assigned patent application No. 62/858,422, entitled: SYSTEMS AND METHODS FOR DETECTING IMPAIRMENT OF AN INDIVIDUAL.

This patent was filed by its inventors, Rahul Kushwah, Sheldon Kales, Nandan Mishra, Himanshu Ujjawal Singh, and Saurabh Gupta (collectively, the "**Assignors**"), on June 7, 2019 with the United States Patent and Trademark Office. On June 5, 2019 the Assignors entered into an Assignment Agreement whereby they agreed to assign their entire right, title and interest in and to the invention to CHL. CHL hopes to receive final patent approval over the two to three years following the date of this Listing Statement.

Pricing

Prices of the Issuer's products will be conservative to create a margin of safety in profit projections. Further analysis regarding pricing will be conducted.

Locations and Employees

Cultivar has no employees as of the date of this Listing Statement.

Customer Analysis

Cannabis is a new and exciting industry with extreme growth potential. A large portion of the general population is still uneducated on the medicinal benefits and general uses of cannabis and CBD as a pain relief and anxiety depressant. As its products become more prevalent, Cultivar's management expects greater exposure to products and use across all age groups.

As well, and as a result of this increased exposure, more attention will be devoted to better understanding impairment and the effects of cannabis and other substances. This effectively positions Cultivar's PredictMedix and Predict Opioid technologies, as well as distinguishes the issuer from other companies that do not have as diverse service offerings.

Competitive Analysis

Below is a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis for the Issuer:

<table>
<tr><td>Strengths
experienced and connected management team
leased land for cultivation and applied for required licences in Jamaica
various strategic partnerships including for the testing of its PredictMedix technology
flexible business approach due to its wide-spread product offerings</td><td>Weaknesses
finding staff and pharmaceutical representatives in order to sell Cultivar's products
establishing a recognizable brand
current lack of revenue</td></tr>
<tr><td>Opportunities
recreational legalization
growing industry
global recognition, including in Canada and Jamaica
significant profit potential</td><td>Threats
well-financed and positioned competitors
delays in Licence approval
introduction of new laws and regulations</td></tr>
</table>

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Financial Information

The following table is a summary of selected financial information of the Cultivar for the fiscal years ending years ended July 31, 2018 and 2017. A copy of Cultivar's audited financial statements these fiscal years, as well as the unaudited interim financial statements for the period ended April 30, 2019, are attached hereto as Schedule "A".

	Year ended July 31, 2018 (audited) $	*Year ended July 30, 2017 (audited) $*
Statement of Operation		
Revenue	—	—
Operating Expenses	(44,401)	(14,750)
Other Items	1,716	—
Net Income / Losses	(42,685)	(14,750)
Financial Position		
Total Assets	17,671	2,652
Total Liabilities	87,977	36,273
Shareholder's Capital and Deficit	70,306	(33,621)

The following table is a summary of selected financial information of the CHL for the fiscal year ending January 31, 2019. A copy of Cultivar's audited financial statements for this period, as well as unaudited statements for the three and six months ended July 31, 2019 and 2018, are attached hereto as Schedule "B".

	As at January 31, 2019 (audited) $
Statement of Operation	
Revenue	—
Operating Expenses	(365,961)
Other Items	—
Net Income / Losses	(364,141)
Financial Position	
Current Assets	1,715,621
Total Assets	1,729,727
Total Liabilities	47,113
Shareholder's Equity	1,682,614

The following table sets forth selected pro forma financial statements of the Issuer and CHL as at July 31, 2019. A copy of the Issuer's Pro-Forma Consolidated Financial Statements is also provided at Schedule "E" hereto.

	Issuer Pro Forma as at July 31, 2019 (unaudited) ($)
Statement of Operations	
Revenue	—
Financial Position	
Current Assets	2,097,974
Total Assets	2,127,562
Total Liabilities	57,120
Shareholder's Equity	2,070,442

Dividends

Cultivar has not paid any dividends on its Issuer Shares within the past year. Other than the statutory rules provided by corporate law, there are no restrictions in the Cultivar's articles that prevent the declaration of dividends.

The payment of dividends, if any, rests within the sole discretion of the Board. The Board's decision to declare and pay dividends depends upon earnings, capital requirements, financial condition and other relevant factors. Cultivar does not anticipate that it will pay any dividends on its securities in the foreseeable future.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Issuer's MD&A for the year ended July 31, 2018 and interim period ending April 30, 2019 is attached hereto as Schedule "C", and CHL's MD&A for the year ended January 31, 2019 and interim period ending July 31, 2019 is attached hereto as Schedule "D".

7. MARKET FOR SECURITIES

Issuer's Shares are not currently listed on an exchange. Subject to the final approval of the CSE, Issuer's Shares will be listed on the CSE under the trading symbol "CULT". Listing on the CSE will be subject to Cultivar fulfilling all of the requirements of the CSE.

8. CONSOLIDATED CAPITALIZATION

The following table sets out the capitalization of the Cultivar as at the date of this Listing Statement:

Designation of Security	Authorized Amount	Total
common shares	unlimited	103,954,149
warrants(1)	1,648,000	1,648,000
options(2)	350,000	350,000

<u>**Notes**</u>

(1) These refer to the Cultivar Warrants. Each Cultivar Warrant is exercisable into an Issuer Share at an exercise price of $0.50 per share until August 12, 2021.
(2) These options are more particularly described under "*9. Options to Purchase Securities*".

There has been no material change in the share capital of the Issuer since the date of the Issuer's financial statements contained in this Listing Statement.

9. OPTIONS TO PURCHASE SECURITIES

Cultivar presently has 350,000 options outstanding:

- In October 2018, the Issuer granted options to a consultant to acquire a total of 250,000 Issuer Shares. These options were issued at an exercise price of $0.10 per share.
- In November 2018 the Issuer granted options to a consultant to acquire a total of 100,000 Issuer Shares. These options were issued at an exercise price of $0.10 per share.

The Issuer has adopted a "rolling" 10% stock option plan (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to advance the interests of the Issuer by encouraging the directors, officers, employees, management company employees and consultants of the Issuer, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Issuer, thereby increasing their proprietary interest in the Issuer, encouraging them to remain associated with the Issuer and furnishing them with additional incentive in their efforts on behalf of the Issuer in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance will be up to 10% of the number of the Issuer's common shares issued and outstanding from time to time. The Stock Option Plan is administered by the Issuer's Board, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Issuer and its affiliates, if any, as the Board may from time to time designate. The exercise price of option grants will be determined by the Board, will not be less than the closing market price of the Common Shares on the CSE less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares of the Issuer. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

As of the date hereof, the Issuer does not have any issued or outstanding options.

10. DESCRIPTION OF THE SECURITIES

Description of the Securities

Cultivar is authorized to issue an unlimited number of common shares, of which 103,954,149 Issuer Shares are issued and outstanding as of the date of the Listing Statement. The following is a summary of the principal attributes of the Issuer Shares:

- *Dividends*. Holders of Issuer Shares are entitled to receive dividends if, and when, declared by the Board.
- *Voting Rights*. Holders of Issuer Shares are entitled to receive notice of and to attend and vote at, all meetings of the Cultivar. Each Issuer Share confers the right to one vote.
- *Rights Upon Liquidation, Dissolution or Winding-up*. Holders of Issuer Shares will rank equally as to priority of distribution in the event of a liquidation, dissolution or winding up event.
- *Profits*. Each shareholder is entitled to share pro rata in any profits of Cultivar to the extent they are distributed.

- *Pre-Emptive, Conversion and Other Rights.* No pre-emptive, redemption, sinking fund or conversion rights are attached to the Issuer Shares, and the Issuer Shares will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of Issuer Shares. There are no provisions discriminating against any existing or prospective holder of Issuer Shares as a result of such shareholder owning a substantial number of Issuer Shares.

Prior Sales

The following table summarizes the issuances of Issuer Shares or securities convertible into Issuer Shares for the 12-month period prior to the date of this Listing Statement:

Date of Issue	**Security Type**	**Description of Consideration**	**Number of Securities**	**Price per Security**
December 6, 2017	common shares	cash	30,000,000	$0.000001
February 20, 2018[(1)]	common shares	cash	7,490,000	$0.05
April 16, 2018	common shares	cash	1,380,000	$0.05
July 16, 2018	common shares	exchanged for shares of CannIP	29,800,000	not applicable
October 15, 2018	common shares	cash	16,125,000	$0.05
October 19, 2018	common shares	cash	6,507,500	$0.10
December 4, 2018	common shares	cash	1,500,000	$0.10
January 30, 2019	common shares	cash	200,000	$0.10
May 1, 2019	common shares	cash	800,000	$0.10
August 12, 2019	Units[(2)]	Cash	3,296,000	$0.25

<u>Notes</u>

(1) In addition, 275,000 finder's shares were issued.

(2) Each unit comprised of one common share and one-half Cultivar Warrant. The cost per unit was and raised gross proceeds of $824,000.

11. ESCROWED SECURITIES

The following table sets forth the following Issuer Shares that are held in escrow:

Designation of class	**Number of Issuer Shares**	**Percentage of Issuer Shares**
common shares	51,625,000	49.7%

The following securities are subject to escrow based on 103,954,149 Issuer Shares issued and outstanding at the date of the Listing Statement.

Name of Escrow Holder	Number of Issuer Shares Subject to Escrow After Closing of the RTO	Percentage of Issuer Shares After Closing of the RTO
Peter Abrahams	250,000	0.2%
Sharon Annette Abrahams	5,000,000	4.8%
Justin Ffolkes	500,000	0.5%
Sheldon Kales	28,625,000	27.5%
Abigal Ffolkes	500,000	0.5%
Eugene Anthony Ffolkes	4,550,000	4.4%
Rahul Kushwah	8,000,000	7.7%
Rakesh Malhotra	200,000	0.2%
Tom Sipos	350,000	0.3%
Total	**47,725,000**	**45.9%**

12. PRINCIPAL SHAREHOLDERS

As at the date of this Listing Statement, no persons beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Issuer, other than as follows:.

Name	Number of Issuer Shares After Closing of the RTO	Class of Issuer Shares	Ownership (Direct or Indirect)	Percentage of Class After Closing of the RTO
Sheldon Kales	28,625,000	common shares	direct	27.54%
Total	**28,625,000**			**27.54%**

13. DIRECTORS AND OFFICERS

13.1 Directors and Executive Officers

The following table sets out the names of Cultivar's directors and officers, the province and municipality in which each is ordinarily residence, the appointment of each individual, his principal occupation during the past 5 years and the number and percentage of Issuer Shares beneficially owned by each individual, directly or indirectly, or over which control or direction is exercised following the completion of the RTO.

Name, place of residence, and position with Cultivar	Principal occupation during past five years	Director or Officer of Cultivar Since	Number of Issuer Shares on a Non-Diluted Basis	Percentage of Issuer Shares on a Non-Diluted Basis	Number of Issuer Shares on a Diluted Basis	Percentage of Issuer Shares on a Non-Diluted Basis [3]
Sheldon Kales Toronto, Ontario *(Director and CEO)* [2]	Entrepreneur	September 23, 2019	28,625,000	27.54%	28,625,000	26.98%
Dr. Rahul Kushwah Toronto, Ontario *(Director and COO)*	Scientist	September 23, 2019	8,000,000	7.70%	8,000,000	7.54%
Rakesh Malhotra Toronto, Ontario *(CFO)*	Chief Financial Officer	September 23, 2019	200,000	0.19%	200,000	0.19%
Tomas Sipos Toronto, Ontario *(Director)* [1][2]	Investment Banker	September 23, 2019	350,000	0.34%	350,000	0.33%
Ajit Kumar London, United Kingdom *(Director)* [1][2]	Entrepreneur	September 23, 2019	0	0.00%	0	0.00%

Notes
(1) Independent director.
(2) Member of the Audit Committee.
(3) Based on 106,102,149 diluted Common Shares.

For additional information regarding the directors and officers, please see the biographies "*—Management Details*".

13.2 Period of Service of Directors

The term of each director will expire on the date of the next annual general meeting unless his office is earlier vacated or he is removed in accordance with Cultivar's articles and applicable legislation.

13.3 Directors and Executive Officers Common Share Ownership

Cultivar's directors and officers will beneficially own or exercise control or direction over 35.76% of Issuer Shares.

13.4 Committees

Cultivar's audit committee (the "**Audit Committee**") is the only committee of the Board. From time to time, Cultivar's Board may also establish additional committees.

Cultivar's Board intends to adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Issuer's Audit Committee will be to assist the Issuer Board in discharging the oversight of:

- the integrity of the Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Issuer's compliance with legal and regulatory requirements;
- the Issuer's external auditors' qualifications and independence;
- the work and performance of the Issuer's financial management and its external auditors; and
- the Issuer's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Issuer Board.

The majority of the Audit Committee's members are independent and consists of: Tomas Sipos (as Chair), Ajit Kumar and Sheldon Kales. Mr. Sheldon Kales is the CEO of the Issuer and is not considered independent under NI 52-110, while Mr. Tomas Sipos and Mr. Ajit Kumar are independent directors under NI 52-110.

Mr. Tomas Sipos, Mr. Ajit Kumar and Mr. Sheldon Kales are all considered financially literate, in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Cultivar's financial statements. Particularly:

- Mr. Sipos has longstanding experience in corporate finance and investment banking and served as a senior executive of several companies including Vice President, Mergers and Acquisitions of Ernst & Young (Toronto) and Managing Director of Investment Banking at European Privatization & Investment Corporation and Senior Investment Banker for the International Finance Corporation;
- Mr. Kales was the founder, CEO and director of Security Devices International Inc., a public company quoted on OTCBB in the United States; and
- Mr. Kumar is the founder and managing director of one of the largest suppliers of medical equipment and healthcare supplies in the United Kingdom.

It is anticipated that the Audit Committee will have access to all books, records, facilities and personnel and may request any information about the Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Issuer Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

13.5 Principal Occupation of Directors and Executive Officers

Information pertaining to a directors and executive officer's principal occupation is set out in the table above under the heading "*Directors and Executive Officers*".

Mr. Kales presently sits on the board of directors of Hope Well Capital Corp., a company listed on the TSX Venture Exchange under the symbol "HOPE".

13.6 Corporate Cease Trade Orders or Bankruptcies

Except as disclosed herein, no proposed director or executive officer of Cultivar, or a shareholder that will hold a sufficient number of securities of Cultivar to affect materially the control of the company, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

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

(b) was 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 relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) 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, state the fact; or

(d) within a year of that person ceasing to act in that capacity, 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.

A CTO was issued by the BCSC on December 6, 2011 and by the ASC on March 5, 2012 as a result of the Issuer's failure to meet filing requirements. The Issuer has since addressed all of the outstanding filing deficiencies and brought its continuous disclosure records on SEDAR up to date. In turn, both CTOs were revoked on May 16, 2018.

On July 2, 2019, a CTO was issued against Rakesh Malhotra under section 164(1) of the *Securities Act,* R.S.B.C. 1996, c.418 until Eyecarrot Innovations Corp., an issuer for which Mr. Malhotra is an insider, filed the required records and the CTO was revoked. Eyecarrot Innovations Corp. has since addressed all of the outstanding filing deficiencies and the CTO was revoked on September 16, 2019.

13.7 Penalties or Sanctions

No proposed director or executive officer of Cultivar, or a shareholder that will hold a sufficient number of Issuer Shares to affect materially the control of Cultivar, has been subject to:

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

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 Personal Bankruptcies

No proposed director or executive officer of Cultivar or a shareholder that will hold a sufficient number of securities of Cultivar to affect materially the control of Cultivar, or a personal holding company of any such persons has, within the 10 years before the date of the 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 or officer.

13.9 Conflicts of Interest

Cultivar's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Cultivar may participate, the directors and officers of Cultivar may have a conflict of interest in negotiating and concluding terms. If a conflict of interest arises, the Company will follow the provisions of the BCBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of Cultivar are required to act honestly, in good faith and in the best interests of the Cultivar.

To the best of Cultivar's knowledge, there are no known existing or potential conflicts of interest among the Issuer, its proposed directors, executive officers, or other members of management of the Cultivar as a result of their outside business interests, except that certain proposed directors and officers may serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Cultivar and their duties as a director or officer of such other companies. See "Risk Factors".

13.10 Management Details

The following is a brief description of Cultivar's key management and Board members.

Sheldon Kales (63 years), Director, Audit Committee Member and CEO of Cultivar

Mr. Kales is a serial entrepreneur and a business leader. He has extensive leadership experience in managing and operating research and development operations of technology companies across the United States, Canada and the Middle East. Previously, Mr. Kales was the Chief Executive Officer of Chester Gold Corp., a private mining exploration company in northern Ontario. Mr. Kales was also the founder, Chief Executive Officer and director of Security Devices International Inc., a public company quoted on OTCBB in the United States from 2005 to 2010. From 2006 to 2008 Mr. Kales served as a director of L.A.M. Pharmaceutical Corp., a company quoted on OTCBB. He presently serves as a board member of Hope Well Capital Corp.

Mr. Kales is a graduate of University of Toronto with a Bachelor of Arts degree. He will devote such time as is required in connection with the management of Cultivar.

Dr. Rahul Kushwah PhD, (36 years), Director and COO of Cultivar

Dr. Kushwah is an accomplished scientist with vast experience in stem cells, genetics, immunology and regenerative and personalized medicine. Prior to joining Cultivar, Dr. Kushwah held a faculty appointment with the Faculty of Medicine at the University of Ottawa and was an accomplished federal government scientist with the Human Health Therapeutics branch of the National Research Council of Canada. Additionally, he has served as a consulting scientist with the Hospital for Sick Children in Toronto, Ontario, and is a regular speaker at several international speaking engagements. Dr. Kushwah has also authored several publications in medical journals and serves as a reviewer and editor for several journals in the medical field.

Dr. Kushwah received his doctorate from the University of Toronto and has been a recipient of the Banting Post-Doctoral Fellowship in Medicine and CIHR Post-Doctoral Fellowship. He will devote such time as is required in connection with the management of Cultivar.

Tomas Sipos, (57), Independent Audit Committee Member and Director of Cultivar

Mr. Sipos is a seasoned investment banker who understands the vast intricacies of investor relations and investment banking. Throughout his career he has held several senior positions, including Vice President, Mergers and Acquisitions of Ernst & Young (Toronto), Managing Director of Investment Banking at European Privatization & Investment Corporation and Senior Investment Banker for the International Finance Corporation. Presently, Mr. Sipos is a CFO for Pistil Partners Inc., a cannabis and CBD company operating in the United States. He also currently serves as a director of the NATO Association of Canada Program Committee.

Mr. Sipos holds a (Honors) Bachelor of Science in chemical engineering from Queen's University and a MBA from the University of Toronto, Rotman School of Business. He will devote such time as is required in connection with his role as a director of Cultivar.

Ajit Kumar, (66), Independent Audit Committee Member, and Director of Cultivar

Mr. Kumar is a serial entrepreneur and healthcare executive. He currently serves as founder and managing director of K-Med Limited, one of the largest suppliers of medical equipment and healthcare supplies in the United Kingdom. Prior to that, he was the founder of a health care equipment company (Health Care Equipment Co.) which was later acquired by HCE Medical Group, UK.

Mr. Kumar holds a Bachelor and Master of Science from Kanpur University, India and a post-graduate degree in Botany and Environmental Sciences from the Imperial College of London, UK. He will devote such time as is required in connection with the management of Cultivar.

Rakesh Malhotra, (62), CFO, Cultivar

Mr. Malhotra is a US certified public accountant (CPA) and a Canada public accountant (CPA, CA) with over 25 years of experience in accounting, financing and internal controls. Mr. Malhotra presently serves as the Chief Financial Officer at Eyecarrot Innovations Corp., Chief Financial Officer, Treasurer and Chief Accounting Officer at Security Devices International, Inc., and Chief Financial Officer for Osoyoos Cannabis, Inc. He also serves as a consultant to various public companies listed in both Canada and the USA.

In addition to the licences mentioned above, Mr. Malhotra holds his Bachelor of Commerce (Honors) from the University of Delhi. He will devote such time as is required in connection with the management of Cultivar.

14. CAPITALIZATION

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
Public Float				
Total outstanding (A)	103,954,149	106,102,149[1]	-	-
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 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)	51,625,000	51,625,000	49.66%	48.66%
Total Public Float (A-B)	52,329,149	54,477,149	50.34%	51.34%
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)	51,625,000	52,125,000	49.66%	49.12%
Total Tradeable Float (A-C)	52,329,149	53,977,149	50.34%	50.87%

Notes

(1) This includes 1,648,000 Cultivar Warrants currently outstanding and the 500,000 Issuer Shares that will be issued to management following final approval of the Licences.

Public Securityholders (Registered) of the Issuer

CLASS OF SECURITY

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	55	573
100 – 499 securities	5	1,046
500 – 999 securities	6	3,903
1,000 – 1,999 securities	4	6,626
2,000 – 2,999 securities	2	5,085
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	3	14,037
5,000 or more securities	117	103,922,879
Total	**191**	**103,954,149**

Public Securityholders (Beneficial) of the Issuer

CLASS OF SECURITY

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	736	12,765
100 – 499 securities	115	23,299
500 – 999 securities	38	24,920
1,000 – 1,999 securities	29	38,495
2,000 – 2,999 securities	11	25,758
3,000 – 3,999 securities	4	13,692
4,000 – 4,999 securities	0	28,002
5,000 or more securities	130	103,667,811
Unable to confirm	0	0

15. EXECUTIVE COMPENSATION

Consulting and employment agreements, together with the final terms of these agreements, are currently under discussion. Final agreements will include executive compensation and confidentiality provisions. Specific details related to executive compensation will be prepared in accordance with Form 51-102F6 of National Instrument 51-102 – Continuous Disclosure Obligations, which will be included in the Issuer's management information circular to be made available on SEDAR (www.sedar.com).

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No proposed director, officer or promoter of Cultivar is, following completion of the RTO, or has been indebted to the Issuer or any of its subsidiaries in the most recently completed financial year, nor will they be indebted to Cultivar or any of its subsidiaries on the Listing Date.

17. RISK FACTORS

Investing in Issuer Shares is speculative and involves certain risks. When evaluating the Issuer and its business, prospective purchasers of Issuer Shares should carefully consider the information set out in this Listing Statement (including those documents incorporated by reference) and the Risk Factors described below.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Issuer and its subsidiaries face. Additional risks and uncertainties, including those that Cultivar is unaware of or that are currently considered immaterial, may also adversely affect the Issuer and its business. Investors should consult their professional advisors to assess any investment in the Issuer.

Risks relating to the Issuer's Business in General

Failure to execute any material part of its growth strategy, may harm Cultivar's future growth and ability to make profitable investments

Issuer's success depends on its ability to expand its business while maintaining profitability. Cultivar may not be able to sustain its growth or profitability in future periods. The Issuer's future growth and profitability will depend upon a number of factors, including, without limitation:

- the level of competition in the cannabis industry in Canada, Jamaica and other international markets;
- the Issuer's ability to identify, acquire and integrate strategic acquisitions;
- the Issuer's ability to achieve brand loyalty;
- the Issuer's ability to offer new products and to extend existing brands and products into new markets, in Jamaica, Canada, and in other international markets;
- the Issuer's ability to remain competitive in its pricing;
- the Issuer's ability to leverage its vertically integrated business model to increase profitability;
- the Issuer's ability to maintain efficient, timely and cost-effective production and delivery of its products;
- the efficiency and effectiveness of the Issuer's sales and marketing efforts in building product and brand awareness and cross-marketing its brands;
- the Issuer's ability to identify and respond successfully to emerging trends in the cannabis industry;
- the level of consumer acceptance of the Company's products; and
- the general economic and political conditions and consumer confidence.

The Company may not be successful in executing its growth strategy, and even if the Issuer achieves targeted growth, it may not be able to sustain profitability. Failure to successfully execute any material part of the Issuer's growth strategy would significantly impair the Issuer's future growth and its ability to make profitable investments in its business.

Risks associated with foreign markets

The Issuer could be subject to a variety of additional risks based on having assets and business located in Jamaica, that may negatively impact the Issuer's operations. A dispute arising in connection with Cultivar's operations in Jamaica may be subject to the exclusive jurisdiction of foreign courts. It may also be difficult to enforce judgments held in Canada in other jurisdictions outside of the country. Accordingly, Cultivar's activities in foreign jurisdictions could be substantially affected by factors beyond the Issuer's control, any of which could have a material adverse effect on the Issuer.

There can also be no assurance that liabilities which may be incurred by the Issuer as a result of its foreign operations will be covered by such insurance, or if covered, that the dollar value of such liabilities will not exceed the Issuer's policy limits. A partially or completely uninsured claim, if successful and of sufficient magnitude, could have an adverse effect on the Issuer.

The Issuer has no source of operating revenue and it is likely it will operate at a loss until it is able to realize cash flow from its financings

The Issuer may require additional financing in order to fund its business. The Issuer's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the Issuer's business success. There can be no assurance that the Issuer will be successful in its efforts to arrange additional financing on terms satisfactory to it, or at all. If additional financing is raised by the issuance of Issuer Shares from treasury, control of the Issuer may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Issuer may not be able to operate its businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Holders of Issuer Shares are at risk for a substantial loss of capital

The investments to be made by the Issuer are speculative in nature and holders of Issuer Shares could experience a loss of all or substantially all of their investment in the Issuer. There can be no assurance that Cultivar will be able to make and realize investments or generate positive returns. There can also be no assurance that the returns generated, if any, will be commensurate with the risks of investing in the types of investments contemplated by the Issuer's investment objectives. Therefore, an investment in Cultivar should only be considered by persons who can afford a loss of their entire investment.

Risks related to cost overruns

The costs of developing, marketing, and selling Cultivar's products may be underestimated and may be increased by factors beyond its control. Such factors may include weather conditions, taxation, labour disputes, technological developments, trade and customs duties and disputes, governmental regulations, increased production cost, equipment breakdowns and other production disruptions. While Cultivar intends to engage qualified personnel, the risk of running over budget remains and may have a substantial adverse impact on Cultivar's profitability.

Risks related to proprietary protection

Cultivar's success will depend in part on its ability to maintain copyright and trademark protection, trade secret protection and operate without infringing the proprietary rights of third parties. There can be no assurance that its products will not infringe patents, trademarks, copyrights or other intellectual property rights held by third parties. In addition, since it may rely on third parties to help develop some of its products, it cannot ensure that litigation will not arise from disputes involving these third parties. It may incur substantial expenses in defending against prospective claims, regardless of their merit.

Furthermore, there can be no assurance that others will not independently develop products similar to those developed by Cultivar or duplicate any of its products. In addition, Cultivar could incur substantial time, effort and/or costs in policing unauthorized use of its intellectual property and/or in defending itself in suits brought against it, or in suits in which the Issuer attempts to enforce its own intellectual property rights against other parties.

Risks related to new products and technological change

Impairment testing and prediction mechanisms are characterized by rapidly changing technology, evolving industry standards and new product introductions, any of which could make Cultivar's products or methods obsolete. There can be no assurance that Issuer will be successful in enhancing existing products or introducing, manufacturing or marketing new products or techniques to meet changing end-user requirements and emerging industry standards and protocols.

The Issuer must devote continued efforts and financial resources to develop and enhance existing products and mechanisms. This is a complex and uncertain process requiring high levels of innovation, as well as accurately anticipating technological and market trends. The Issuer may not be able to identify, develop, manufacture, market or support new or enhanced products or methods successfully or on a timely basis, and may not be able to respond effectively to product announcements by competitors, technological changes or emerging industry standards which could, among other things, have a material adverse effect on the Issuer's business, operating results or financial condition. The Issuer may also announce new products or product enhancements, capabilities, methods, or technologies that have the potential to replace or shorten the life cycle of its existing product offerings and that may cause customers to defer purchasing its existing products.

The price for Issuer Shares may fluctuate greatly

The market price of Issuer Shares may be subject to wide price fluctuations due to many factors, including variations in the operating results of Cultivar and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, legislative changes, community support for the cannabis industry and other events and factors outside of the Issuer's control.

Issuer may be subject to currency exchange risk

The reporting currency for the Issuer's consolidated financial statements is the Canadian dollar. Cultivar will derive a portion of its revenue and incur operating costs in Jamaica, and changes in exchange rates between the Canadian dollar and the foreign currency may have a significant, and potentially adverse, effect on the Issuer's results of operations. Cultivar's primary risk of loss regarding foreign currency exchange rate risk is caused by fluctuations in the exchange rates between the Jamaican dollar and the Canadian dollar, although as Cultivar expands internationally it will be subject to additional foreign currency exchange risks. Because the Issuer recognizes revenue in Jamaica in Canadian dollars, if the Canadian dollar weakens against the Jamaican dollar it would have a negative impact on the Issuer's Canadian operating results upon translation of those results into Jamaican dollar for the purposes of consolidation. Cultivar does not engage in hedging transactions and does not currently contemplate engaging in hedging transactions to mitigate foreign exchange risks. The Issuer will continue to recognize gains and losses in foreign currency transactions, and, depending upon changes in future currency rates, such gains or losses could have a significant, and potentially adverse, effect on Cultivar's results of operations.

Risks related to the Issuer entering into strategic alliances or expanding the scope of currently existing relationships, with third parties

The Issuer currently has strategic alliances with third parties, and may expand the scope of such alliances or enter into further strategic alliances, that it believes will complement or augment Cultivar's existing business. The Issuer's ability to complete further such strategic alliances is dependent upon, and may be limited by, among other things, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Issuer's business and may involve risks that could adversely affect Cultivar, including the investment of significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Issuer's existing strategic alliances will continue to achieve, the expected benefits to the Issuer's business or that the Issuer will be able to consummate future strategic alliances on satisfactory terms, or at all.

Difficulty to forecast and reliance on its own research

Cultivar must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of the Issuer.

Non-operating parent corporation structure

Cultivar is a non-operating parent corporation that holds assets and carry on its business through CHL, its wholly-owned subsidiary. Cultivar controls CHL through its ownership of CHL's securities, which entitles it to elect CHL directors, who then appoint officers. To the extent that there are risks inherent in having a subsidiary hold assets and carry on business, Cultivar has mitigated those risks by implementing an effective system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that will apply at all levels of the Issuer.

Taking minority positions in investments may limit the ability of the Issuer to safeguard its investment

The Issuer may make minority equity investments in businesses in which Cultivar does not participate in the management or otherwise control the business or affairs of such businesses. The Issuer will monitor the performance of each investment and maintain an ongoing dialogue with each business's management team. However, it will be primarily the responsibility of the management of the business to operate the business on a day-to-day basis and the Issuer may not have the right to control the business.

Shared ownership or dependency on partners of Cultivar JA

Cultivar JA's operations are, to a degree, conducted with one or more partners through contractual arrangements. In such instances, Cultivar may be dependent on, or affected by, the performance of its partners. If a partner fails to perform, Cultivar may, among other things, risk losing revenues or incur additional obligations or costs in order to itself perform in place of its partners. Cultivar and its partners may also, from time to time, have different opinions on how to conduct certain operations or on what their respective rights and obligations are under a certain agreement. A dispute with one or more partners may have a significant effect on Cultivar's operations.

Risk of litigation

All industries, including the cannabis and technological industries, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Issuer may become subject could have a material effect on the Issuer's business, prospects, financial position or results of operations.

Risks relating to cannabis in Jamaica and Canada

Risks associated with an investment in the cannabis sector

Cannabis-related financial transactions are subject to a variety of laws that vary by jurisdiction, many of which are unsettled and still developing. While the interpretation of these laws are unclear in some jurisdictions, financial benefit directly or indirectly arising from conduct that would be considered unlawful in such jurisdiction may be viewed to be within the purview of these laws and regulations, and persons receiving any such benefit, including investors in an applicable jurisdiction, may be subject to liability. Each prospective investor should contact his, her or its own legal advisor.

Public opinion and perception of cannabis can influence regulations

Government policy changes or public opinion may result in a significant influence over the regulation of the cannabis industry in Jamaica, Canada, or elsewhere. The Issuer believes the cannabis industry is highly dependent on consumer perception regarding the safety and efficacy of such cannabis.

Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Public opinion and support for medical and adult-use cannabis has traditionally been inconsistent and varied from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical cannabis as opposed to legalization in general).

A negative shift in the public's perception of cannabis in Jamaica, Canada, or in 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 regarding the legalization of cannabis, or could result in adverse regulatory changes thereby limiting the Issuer's growth prospects. Any inability to fully implement Cultivar's expansion strategy may have a material adverse effect on its business, results of operations or prospects.

Unfavourable publicity or consumer perception may inhibit the success of Cultivar's business

The cannabis industry is dependent on consumer perception regarding the safety, efficacy and quality of the cannabis distributed to such consumers. Consumer perception of Cultivar's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that is perceived as less favourable than, or that question, earlier findings could have a material adverse effect on the demand for Cultivar's products and the business. The Issuer's dependence upon consumer perceptions also means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Cultivar.

The Issuer's business is subject to risks related to licensure

The Issuer's business will be subject to a variety of laws, regulations and guidelines relating to the cultivation, manufacture, management, transportation, extraction, storage and disposal of cannabis, including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Achievement of the Issuer's objectives are contingent, in part, upon compliance with applicable regulatory requirements and obtaining all requisite regulatory approvals.

Changes to such laws, regulations and guidelines due to matters beyond the control of the Issuer may cause adverse effects to the Issuer. Cultivar will be required to obtain or renew government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process involving numerous regulatory agencies, involving public hearings and costly undertakings on the Issuer's part. The duration and success of Cultivar's efforts to obtain, amend and renew permits and licenses will be contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authorities. The Issuer may not be able to obtain, amend or renew permits or licenses that are necessary to its operations. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of the Issuer. To the extent permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, the Issuer may be curtailed or prohibited from proceeding with its ongoing operations or planned renovation, development and commercialization activities. Such curtailment or prohibition may result in a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

The Issuer may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Issuer's reputation, require Cultivar to take, or refrain from taking, actions that could harm its operations or require the Issuer to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Issuer's business, financial condition, results of operations or prospects.

Risks inherent in the cultivation, and extraction of cannabis and derivative products

The cultivation, extraction and processing of cannabis and derivative products is dependent on a number of key inputs including raw materials, electricity, water and other local utilities. Specifically with respect to cultivation, Cultivar is subject to risks inherent in agricultural business such as insect, plant diseases, fungus, mold and others. Although Cultivar will seek to minimize the negative effects of natural elements, there can be no assurance that any such event would not have a material adverse effect on its business.

As well, 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. 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 Issuer 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 the Issuer.

Changes in laws, regulations and guidelines in Jamaica and Canada may alter Issuer's ability to continue its business as proposed to be conducted

The successful execution of the Issuer's medical cannabis business objectives is contingent upon compliance with all applicable laws and regulatory requirements in the applicable jurisdictions, expected to initially be Jamaica and Canada, and obtaining all other required regulatory approvals for the sale and import of medical cannabis products into the applicable jurisdictions. The cannabis industry is relatively new in Jamaica and Canada, and the laws and regulations that apply to the cultivation, the export, the import and the sale of cannabis are either developing or have been in force for a short period of time. The effect of the applicable agency(ies)' administration, application and enforcement of the statutory regime in Jamaica and Canada, or the administration, application and enforcement of the laws of other countries by the appropriate regulators in those countries, may significantly delay or impact the Issuer's ability to, among other things, enter into supply agreements, export cannabis from one jurisdiction into another, and to enter into sales agreements in the applicable jurisdictions.

Further, the applicable regulatory authorities may change their administration, interpretation or application of the applicable regulations or their compliance or enforcement procedures at any time. Any such changes could require the Issuer to revise its business and investment strategies, requiring Cultivar to incur increased costs and expend additional resources. There is no assurance that the Issuer's current business and investment strategies will be able to comply or continue to comply with applicable regulations.

Issuer's failure to comply with applicable regulations could prevent it from being able to carry on its business

Any failure by Cultivar to comply with the applicable regulatory requirements could have a material adverse effect on its operations; result in regulatory or agency proceedings or investigations, increased compliance costs, damage awards, civil or criminal fines or penalties or restrictions on the Issuer's operations; harm the Issuer's reputation or give rise to material liabilities. There can be no assurance that any pending or future regulatory or agency proceedings, investigations or audits will not result in substantial costs, a diversion of management's attention and resources or other adverse consequences to Cultivar and its business.

<u>Risks relating to Cultivar's management</u>

Issuer will depend on its management

The Issuer's success depends on its ability to attract, develop and retain talented employees, including executives and other key managers. The loss of certain key officers and employees, or the failure to attract and develop talented new executives and managers, could have an adverse effect on the Issuer's business. The Issuer's ability to attract and retain employees with the requisite experience and skills depends on several factors, including, but not limited to the Issuer's ability to offer competitive wages, benefits and professional growth opportunities. Effective succession planning is also important to its long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder the Issuer's strategic planning and execution. The Issuer's success is also dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. Any loss of the services of key management could have a material adverse effect on the Issuer's business, operating results, financial condition or prospects

Cultivar may be subject to risks related to growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

Potential conflicts of interest of Cultivar's directors and officers

Certain of the directors and officers of the Issuer may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Issuer. These include serving as directors, officers, advisers or agents of other public and private companies, including companies involved in similar businesses to the Issuer or companies in which the Issuer may invest, management of investment funds, purchases and sales of securities and investment and management counselling for other clients. Consequently, there exists the possibility for such directors, and officers to be in a position of conflict. Any decision made by any of such directors or officers will be made in accordance with their duties and obligations under the BCBCA and other applicable laws to deal fairly and in good faith with a view to the best interests of the Issuer and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCBCA, and other applicable laws.

Management may not be able to successfully implement adequate internal controls over financial reporting

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Issuer does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If Cultivar cannot provide reliable financial reports or prevent fraud, the Issuer's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Issuer and its reported financial information, which in turn could result in a reduction in the value of the Issuer Shares.

18. PROMOTERS

Not applicable.

19. LEGAL PROCEEDINGS

Except as disclosed herein, Cultivar nor any of its subsidiaries is, was previously a party to, or was the subject of, any legal proceeding nor is the Issuer currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. Additionally, to the knowledge of the Issuer's management and its subsidiaries, there are no such proceedings contemplated. From time to time, Cultivar may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Issuer is not currently aware of any legal proceedings contemplated against Cultivar.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of management, no proposed 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 percent 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 Cultivar or a subsidiary of the Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditors

The auditor of the Issuer is Buckley Dodds LLP. Its office is located at 1185 W Georgia St #1140, Vancouver, BC V6E 4E6.

21.2 Registrar and Transfer Agent

The current transfer agent and registrar of the Issuer is National Issuer Services Ltd. TransferAgent.ca, through its offices in Vancouver, British Columbia.

22. MATERIAL CONTRACTS

The material contracts held by Cultivar and its subsidiaries include:

1. Amalgamation Agreement; and
2. Investor Agreement (defined below).

Pursuant to an Investor Agreement dated February 15, 2018 (the "**Investor Agreement**"), Cultivar JA will pay Cultivar a management fee (the "**Management Fee**") once Cultivar JA commences commercial cultivation operations rendered by CHL. In addition to the Management Fee, CHL is also entitled to receive a royalty fee equal to 50% of the Gross Sales of Cultivar JA.

23. INTEREST OF EXPERTS

The auditor has not, nor is entitled to receive, any registered or beneficial interest, direct or indirect, in the property of the Issuer and neither is expected to own any securities of the Issuer or any associate, Affiliate, or Related Person (as defined by the policies of the CSE) of the Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts regarding the Issuer or any of its subsidiaries other than as disclosed herein.

25. FINANCIAL STATEMENTS AND MD&A

Please see Schedule "A" for a copy of Cultivar's audited financial statements for the years ended July 31, 2018 and 2017 and the unaudited interim financial statements for the period ended April 30, 2019.

Please see Schedule "B" for CHL's audited annual consolidated financial statements for the year ended January 31, 2019 and the unaudited interim financial statements for the three and six months ended July 31, 2019 and 2018.

Please see Schedule " E" for a copy of the Issuer's pro-forma consolidated financial statements.

Please see Schedule "C" for Cultivar's MD&A and Schedule "D" for CHL's MD&A.

CERTIFICATE OF CULTIVAR

Pursuant to a resolution duly passed by its Board of Directors, Cultivar Holdings Inc. 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 Cultivar Holdings Inc. 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 Toronto, Ontario this 17th day of December, 2019.

/s/ "Sheldon Kales"	*/s/ "Rakesh Malhotra"*
Chief Executive Officer Sheldon Kales	Chief Financial Officer Rakesh Malhotra

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Tom Sipos"	*/s/ "Rahul Kushwah"*
Tom Sipos	Rahul Kushwah

SCHEDULE "A"

CULTIVAR FINANCIAL STATEMENTS

Please see the attached.

Admiral Bay Resources Inc.
Financial Statements

For the years ended
July 31, 2018 and 2017

(Expressed in Canadian Dollars)

SHIM

SHIM & Associates LLP
Chartered Professional Accountants
Suite 810 – 789 West Pender Street
Vancouver, B.C. V6C 1H2
T: 604 559 3511 | F: 604 559 3501

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Admiral Bay Resources Inc.

We have audited the accompanying financial statements of Admiral Bay Resources Inc., which comprise the statement of financial position as at July 31, 2018, and the statement of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the year then ended, and 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 the auditor's 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, the auditor considers 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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Admiral Bay Resources Inc. as at July 31, 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Admiral Bay Resources Inc. to continue as a going concern.

Other Matter

The financial statements of Admiral Bay Resources Inc. for the year ended July 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on January 26, 2018.

SHIM & Associates LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
November 26, 2018

Admiral Bay Resources Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at July 31,	Notes	2018 $	2017 $
Assets			
Current Assets			
Cash		**11,018**	-
Sales tax receivable		**6,653**	2,652
Total assets		**17,671**	2,652
Liabilities			
Current Liabilities			
Accounts payable and other payables	7	**56,451**	36,273
Loans payable	6	**31,526**	-
Total liabilities		**87,977**	36,273
Shareholders' Deficiency			
Share capital	8	**50,185,484**	50,179,484
Deficit		**(50,255,790)**	(50,213,105)
Total shareholders' deficiency		**(70,306)**	(33,621)
Total liabilities and shareholders' deficiency		**17,671**	2,652

Nature of Operations and Going Concern (Note 1)

APPROVED ON BEHALF OF THE BOARD ON NOVEMBER 26, 2018:

Signed *"Joel Dumaresq"*
Director

Signed *"Theo van der Linde"*
Director

Admiral Bay Resources Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the Years Ended July 31,	Notes	2018 $	2017 $
Expenses			
Consulting fees	7	**4,524**	-
Office and miscellaneous		**2,774**	-
Professional fees	7	**10,645**	14,200
Rent	7	**15,500**	-
Transfer agent and filing fees		**10,958**	550
Total expenses		**(44,401)**	(14,750)
Other items			
Interest income		**124**	-
Recovery of expenses		**1,592**	-
Loss and comprehensive loss for the year		**(42,685)**	(14,750)
Loss and comprehensive loss per share - basic and diluted		**(0.07)**	(0.03)
Weighted average number of shares outstanding – basic and diluted		**612,879**	514,249

Admiral Bay Resources Inc.
Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Share Capital (Note 7)			
	Number of shares	Amount	Deficit	Total
	#	$	$	$
Balance at July 31, 2016	514,249	50,179,484	(50,198,355)	(18,871)
Loss and comprehensive loss for the year	-	-	(14,750)	(14,750)
Balance at July 31, 2017	514,249	50,179,484	(50,213,105)	(33,621)
Private placement	6,000,000	6,000	-	6,000
Loss and comprehensive loss for the year	-	-	(42,685)	(42,685)
Balance at July 31, 2018	**6,514,249**	**50,185,484**	**(50,255,790)**	**(70,306)**

On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

Admiral Bay Resources Inc.

Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended July 31,	2018 $	2017 $
Operating activities		
Loss and comprehensive loss for the year	(42,685)	(14,750)
Net change in non-working capital items:		
GST/HST recoverable	(4,001)	(1,326)
Accounts payable and other payables	20,178	16,076
Cash flows used in operating activities	(26,508)	-
Financing activities		
Proceeds from private placement	6,000	
Proceeds from loans payable	31,526	-
Cash generated by financing activities	37,526	-
Change in cash	11,018	-
Cash at beginning of year	-	-
Cash at end of year	11,018	-
Cash paid for interest expense	-	-
Cash paid for income taxes	-	-

1. NATURE OF OPERATIONS AND GOING CONCERN

Admiral Bay Resources Inc. ("Admiral Bay" or the "Company"), was incorporated in British Columbia on September 3, 1987. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Our management intends to seek new opportunities. The Company currently does not hold any material resource property interests.

As at July 31, 2018, the Company had a working capital deficiency of $70,306 (July 31, 2017 - $33,621), had not yet achieved profitable operations, has accumulated losses of $50,255,790 (July 31, 2017 $50,213,105) and expects to incur future losses in the development of any business, all of which represent material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

On May 16, 2018, the Company received the following revocation orders:

- Revocation Order dated May 16, 2018 from the British Columbia Securities Commission to a Cease Trade Order ("CTO") previously issued on December 6, 2011; and
- Revocation Order dated May 16, 2018 from the Alberta Securities Commission to a CTO previously issued on March 5, 2012.

The CTOs were issued by the BCSC and the ASC, as a result of the failure of the Company, under its previous management, to file annual audited financial statements and related management discussion and analysis within the required time. The Company has addressed all of the outstanding filing deficiencies and brought its continuous disclosure records on SEDAR up to date. As a condition for receiving the revocation orders, the Company has provided the Commissions with an undertaking to hold its annual shareholders' meeting within three months after the CTOs are revoked.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issuance by the Board of Directors of the Company on November 26, 2018.

2.2 Basis of presentation and functional and presentation currency

These financial statements have been prepared on a going concern basis, under the historical cost convention and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

The financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

2.3 Adoption of new and revised standards and interpretations

Recent Accounting Pronouncements

The following is an overview of new accounting standards that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company does not expect that the adoption of IFRS 9 and IFRS 15 will have any impact on its financial statements and will continue to evaluate the impact of IFRS 16 on its financial statements.

IFRS 9 – Financial Instruments
On July 24, 2014, the IASB issued the complete IFRS 9, Financial Instruments ("IFRS 9"). IFRS 9 introduces new requirements for the classification and measurements of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities and amends the impairment model by introducing a new "expected credit loss" model for calculating impairment. It also includes a new general hedge accounting standard which aligns hedge accounting ore closely with risk management. IFRS 9 is effective for reporting periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted.

IFRS 15 – Revenue from contracts with customers
On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted.

IFRS 16 – Leases
On January 13, 2016, the IASB published a new standard, IFRS 16, Leases ("IFRS 16"), eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred income tax is calculated on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.2 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Diluted loss per share assumes proceeds received upon the exercise of the options and warrants are used to purchase common shares at the average market price during the year. During the years ended July 31, 2017 and 2016 and 2015 there were no outstanding stock options or warrants.

3.3 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss.

Financial assets classified as loans-and-receivables are measured at amortized cost.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3.4 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and other payables are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At July 31, 2018 and 2017, the Company has not classified any financial liabilities as FVTPL.

3.5 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

3.6 Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) the $nil provision for income taxes which is included in the statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the statements of financial position.

4. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of share capital and deficit, which as at July 31, 2018 totaled a deficiency of $70,306, (2017 - deficiency of $33,621). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The only sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing 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 years ended July 31, 2018 and 2017. The Company is not subject to externally imposed capital restrictions.

5. FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments consist of cash, loans payable, and accounts payable. The carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Cash is classified as financial assets at FVTPL and accounts payable and loans payable are classified as other financial liabilities, which are measured at amortized cost.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subjective and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at July 31, 2018, the Company had a working capital deficiency of $70,306 (July 31, 2017 - $33,621). In order to meet its longer-term working capital requirements, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change, and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more operating activities. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

Foreign exchange risk
The Company has no assets and liabilities denominated in foreign currency and conducts its business mainly in Canada. The Company's exposure to currency risk is currently considered insignificant.

Interest Rate Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's interest income on cash balance is negligible and the accounts payable and loans payable are non-interest bearing. The Company is not exposed to significant interest rate risk.

6. LOANS PAYABLE

During the year ended July 31, 2018, the Company obtained three separate loans for total gross proceeds of $31,526, of which a total of $21,526 was from related parties (Note 7). The loans are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were incurred during the years ended July 31, 2018 and 2017.

During the year, the Company entered into transactions with related parties comprised of Directors, Officers and Companies with common Directors as follows:

		Years ended	
		July 31, 2018	July 31 2017
	Note	$	$
Consulting fees to a company with a director in common	10	4,500	-
Professional fees to a company with a director in common	10	3,500	-
Rent to companies with directors in common	10	15,500	-
Filing fees to a company with a director in common		1,100	-
Total		24,600	-

The amounts due to related parties consist of the following as at July 31, 2018 and July 31, 2017:

		2018	2017
	Note	$	$
Included in accounts payable		25,474	-
Included in loans payable	6	21,526	-
Total		47,000	-

The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

8. CAPITAL STOCK

Capital Stock
The Company is authorized to issue unlimited number of common shares without par value.

On July 11, 2018, the Company increased the number of authorized common shares without par value from 202,297,706 common shares to an unlimited number of common shares.

On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

On July 25, 2018, the Company completed a non-brokered private placement and issued an aggregate of 6,000,000 common shares for gross proceeds of $6,000.

Stock Options
The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares at a fixed price. Vesting and expiry provisions are determined at the date of grant. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

During the year ended July 31, 2018 and 2017 no stock options were issued or outstanding.

8. INCOME TAXES

(Expressed in Canadian Dollars)

(a) Provision for Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

For the year ended July 31,	2018	2017
	$	$
Loss before income taxes	(42,685)	(14,750)
Combined statutory rate	26.58%	26.50%
Expected income tax benefit	(11,347)	(3,909)
Change in prior year estimates	11,272,973	-
Change in enacted tax rates	(49,603)	-
Change in valuation allowance	(11,212,023)	3,909
Income tax expense (recovery)	-	-

(b) Deferred Income Tax Balances

Deferred tax assets have not been recognized in respect of the following temporary differences because it has not yet been determined that future taxable profits will be available against which the Company can utilize the benefits.

As at July 31,	2017	2017
Exploration and evaluation assets	$ 1,255,946	$ 1,591,060
Capital loss carry forwards	280,961	400,550
Non-capital loss carry forwards	1,143,548	11,900,868
Total deferred tax assets	$ 2,680,455	$ 13,892,478
Valuation allowance	(2,680,455)	(13,892,478)
	$ -	$ -

(c) Tax Loss Carry-forwards

The Company has accumulated non-capital losses of $4,235,364 (2017 - $44,908,934), which may be deducted in the calculation of taxable income in future years. The losses expire as follows:

Year of expiry	$
2026	1,297,342
2027	913,838
2028	740,580
2029	505,683
2030	436,086
2031	74,120
2032	62,707
2033	128,702
2034	-
2035	9,422
2036	9,449
2037	14,750
2038	42,685
	4,235,364

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment in Canada.

10. COMMITMENT

On January 1, 2018, the Company entered into a 12-month Corporate Management Agreement (the "Agreement") with a company with a director in common. Under the terms of the Agreement, the Company will pay a monthly fee of $500 for corporate consulting services, $500 for accounting services, and $500 for rent. The Company also paid one-time initial set-up fee of $1,000. The Agreement will automatically renew for additional 12 months, unless a 90-day notice is given by either party to the contract.

Admiral Bay Resources Inc.

Condensed Interim Financial Statements

For the nine-month period ended
April 30, 2019
(Unaudited)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed interim financial statements.

The accompanying unaudited condensed interim financial statements of the Admiral Bay Resources Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

Admiral Bay Resources Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at:	Notes	April 30, 2019 $	July 31, 2018 $
Assets			
Current Assets			
Cash		857	11,018
Sales tax receivable		715	6,653
Total assets		1,572	17,671
Liabilities			
Current Liabilities			
Accounts payable and other payables	7	9,127	56,451
Loans payable	6	75,883	31,526
Total liabilities		85,010	87,977
Shareholders' Deficiency			
Share capital	8	50,185,484	50,185,484
Deficit		(50,268,922)	(50,255,790)
Total shareholders' deficiency		(83,438)	(70,306)
Total liabilities and shareholders' deficiency		1,572	17,671

Nature of Operations and Going Concern (Note 1)

APPROVED ON BEHALF OF THE BOARD ON JULY 2, 2019:

Signed *"Rajenda Kushwah "*
Director

Signed *"Rahul Kushwah"*
Director

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

Admiral Bay Resources Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three-month period ended April 30,		Nine-month period ended April 30,	
	2019	2018	2019	2018
	$	$	$	$
Administrative Expenses				
Office and miscellaneous	37	19	514	355
Professional fees	-	1,620	7,500	5,005
Rent	-	3,000	-	9,000
Transfer agent and filing fees	-	5,964	5,118	7,963
	37	10,603	13,132	22,323
Net loss and comprehensive loss for the periods	(37)	(10,603)	(13,132)	(22,323)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding – basic and diluted	6,514,249	5,142,226	6,514,249	5,142,226

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

Admiral Bay Resources Inc.
Condensed Interim Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital			
	Number of shares	Amount	Deficit	Total
	#	$	$	$
Balance at July 31, 2017	5,142,226	50,179,484	(50,213,105)	(33,621)
Loss and comprehensive loss for the period	-	-	(22,323)	(22,323)
Balance at April 30, 2018	**5,142,226**	**50,179,484**	**(50,235,428)**	**(55,944)**

Balance at July 31, 2018	6,514,249	50,185,484	(50,255,790)	(70,306)
Loss and comprehensive loss for the period	-	-	(13,132)	(13,132)
Balance at April 30, 2019	**6,514,249**	**50,185,484**	**(50,268,922)**	**(83,438)**

On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

Admiral Bay Resources Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the nine months periods ended April 30,	2019	2018
	$	$
Operating activities		
Net (loss) for the period	(13,132)	(22,323)
Net change in non-working capital items:		
GST/HST recoverable	5,938	(1,885)
Accounts payable and other payables	(47,324)	983
Cash flows used in operating activities	(54,518)	(23,225)
Financing activities		
Loans	44,357	31,526
Cash generated by financing activities	44,357	31,526
Change in cash	(10,161)	8,301
Cash at beginning of period	11,018	-
Cash at end of period	857	8,301

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Admiral Bay Resources Inc. ("Admiral Bay" or the "Company"), was incorporated in British Columbia on September 3, 1987. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Our management intends to seek new opportunities. The Company currently does not hold any material resource property interests.

As at April 30, 2019, the Company had a working capital deficiency of $83,438 (July 31, 2018 – $70,306), had not yet achieved profitable operations, has accumulated losses of $50,268,922 (July 31, 2018 - $50,255,790) and expects to incur future losses in the development of any business, all of which represent material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

On May 16, 2018, the Company received the following revocation orders:

- Revocation Order dated May 16, 2018 from the British Columbia Securities Commission to a Cease Trade Order ("CTO") previously issued on December 6, 2011; and
- Revocation Order dated May 16, 2018 from the Alberta Securities Commission to a CTO previously issued on March 5, 2012.

The CTOs were issued by the BCSC and the ASC, as a result of the failure of the Company, under its previous management, to file annual audited financial statements and related management discussion and analysis within the required time. The Company has addressed all of the outstanding filing deficiencies and brought its continuous disclosure records on SEDAR up to date. As a condition for receiving the revocation orders, the Company has provided the Commissions with an undertaking to hold its annual shareholders' meeting within three months after the CTOs are revoked.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and in accordance with IAS 34 – Interim Financial Reporting. The condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2018. These financial statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended July 31, 2018.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on July 2, 2019.

2.2 Basis of presentation and functional and presentation currency

These condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

2.2 Basis of presentation and functional and presentation currency (Continued)

The condensed interim financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended July 31, 2018.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company on August 1, 2018:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have any revenue from customers, this change had no impact on the financial statements.

IFRS 9 Financial Instruments

A finalized version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from IAS 39. This change had no impact on the financial statements.

New Standards and Interpretations Not Yet Adopted

The Company will be required to adopt the following standards and amendments issued by the IASB, as described below.

Applicable to the Company's annual period beginning on January 1, 2019:

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

The Company has not early adopted this standard and is currently assessing the impact that the standard will have on the condensed interim financial statements.

4. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of share capital and deficit, which as at April 30, 2019 totaled a deficiency of $83,438, (July 31, 2018 - deficiency of $70,306). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The only sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing 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 period ended April 30, 2019 and during the years ended July 31, 2018 and 2017. The Company is not subject to externally imposed capital restrictions.

5. FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments consist of cash and accounts payable. The carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Cash is classified as financial assets at FVTPL and accounts payable and loans payable are classified as other financial liabilities, which are measured at amortized cost.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subjective and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at April 30, 2019, the Company had a working capital deficiency of $83,438 (July 31, 2018 - $70,306). In order to meet its longer-term working capital requirements, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change, and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more operating activities. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

Foreign exchange risk

The Company has no assets and liabilities denominated in foreign currency and conducts its business mainly in Canada. The Company's exposure to currency risk is currently considered insignificant.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's interest income on cash balance is negligible and the accounts payable and loans payable are non-interest bearing. The Company is not exposed to significant interest rate risk.

6. LOANS PAYABLE

During the year ended July 31, 2018, the Company obtained three separate loans for total gross proceeds of $31,526, of which a total of $21,526 was from related parties (Note 7). The loans are unsecured, non-interest bearing and due on demand. These loans were repaid during the nine- month period ended April 30, 2019 from unsecured, non-interest-bearing loan due on demand for $75,883 availed from Cultivar Holdings Limited.

7. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were incurred during the periods ended April 30, 2019 and 2018.

The amounts due to related parties consist of the following as at April 30, 2019 and July 31, 2018:

	Note	**April 30, 2019** $	July 31, 2018 $
Included in accounts payable		-	25,474
Included in loans payable	6	-	21,526
Total		-	47,000

The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

8. CAPITAL STOCK

Capital Stock

The Company is authorized to issue unlimited number of common shares without par value.

During the nine -month period ended April 30, 2019, there were no share issuances.

During the year ended July 31, 2018, the Company completed the following share issuances:

On July 11, 2018, the Company increased the number of authorized common shares without par value from 202,297,706 common shares to an unlimited number of common shares.

On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

On July 25, 2018, the Company completed a non-brokered private placement and issued an aggregate of 6,000,000 common shares for gross proceeds of $6,000.

Stock Options

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares at a fixed price. Vesting and expiry provisions are determined at the date of grant. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

During the nine- month period ended April 30, 2019 and 2018 no stock options were issued or outstanding.

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment in Canada.

10. NON-BINDING LETTER OF INTENT

The Company entered into a non-binding letter of intent with Cultivar Holdings Ltd. with respect to a reverse take-over transaction which would ultimately result in the Company's common shares being listed on the Canadian Securities Exchange.

SCHEDULE "B"

CHL FINANCIAL STATEMENTS

Please see the attached.

Cultivar Holdings Ltd.

Consolidated Financial Statements
January 31, 2019

(Expressed in Canadian Dollars)

CULTIVAR HOLDINGS LTD.

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BUCKLEY DODDS LLP
Chartered Professional Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Cultivar Holdings Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cultivar Holdings Ltd. (the "Company"), which comprise the consolidated statement of financial position as at January 31, 2019, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the period from incorporation on December 6, 2017 to January 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2019, and its consolidated financial performance and its consolidated cash flows for the period from incorporation on December 6, 2017 to January 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mickey Goldstein.

Buckley Dodds LLP

Vancouver, BC
September 3, 2019

Buckley Dodds LLP
Chartered Professional Accountants

Cultivar Holdings Ltd.
Consolidated Statement of Financial Position
as at January 31, 2019
(in Canadian dollars)

ASSETS		
CURRENT		
Cash	$	1,558,949
Loans and advances (Note 5)		68,526
Deferred costs (Note 5)		61,474
Prepaid expenses (Note 6)		26,672
		1,715,621
Property and equipment (Note 7)		14,106
TOTAL ASSETS	$	1,729,727
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
CURRENT		
Accrued liabilities (Note 10)	$	47,113
TOTAL LIABILITIES		47,113
SHAREHOLDERS' EQUITY		
Share Capital		2,041,220
Share-based payment reserve		5,535
Accumulated deficit		(320,423)
	$	1,726,332
Non-controlling interest		(43,718)
TOTAL SHAREHOLDERS' EQUITY		1,682,614
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	1,729,727

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Commitment and contingencies (Note 11)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

/s/ "Sheldon Kales"

Signed: Sheldon Kales, CEO and Director

/s/ "Anthony Ffolkes"

Signed: Eugene Anthony Ffolkes, Director

Cultivar Holdings Ltd.
Consolidated Statement of Loss and Comprehensive Loss
for period from incorporation on December 6, 2017 to January 31, 2019
(in Canadian dollars)

Expenses		
Administration and general		33,526
Amortization of property and equipment (Note 7)		4,395
Leasing costs (Note 10)		32,366
Legal fees		86,840
Management fees (Note 10)		59,955
Patent and trademark expenses		17,288
Research and development		49,205
Samples and testing		21,886
Share based compensation (Note 8)		5,535
Taxes and related		2,697
Travel, entertainment and related		47,518
Vehicle use expenses (Note 10)		4,750
Total operating expenses		(365,961)
Gain on foreign exchange		1,820
Loss and comprehensive loss	$	(364,141)
Loss and comprehensive loss attributable to:		
Shareholders	$	(320,423)
Non-controlling interest	$	(43,718)
Loss per share - Basic and Diluted	$	(0.01)
Weighted average number of common shares outstanding - Basic and Diluted		57,369,525

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

Cultivar Holdings Ltd.
Consolidated Statement of Changes in Shareholders' Equity
for the period from incorporation on December 6, 2017 to January 31, 2019
(in Canadian dollars)

	Number of common shares outstanding	Share capital	Share-based payment reserve	Non-Controlling Interest	Deficit	Total
Seed Shares issued for cash	30,000,000	$ 30	$ -	$ -	$ -	$ 30
Acquisition of CannIP Holdings Inc.	29,800,000	30	-	-	-	30
Private placements	33,202,500	2,070,500	-	-	-	2,070,500
Shares issued as finders' fees	275,000	-	-	-	-	-
Share issuance costs	-	(29,340)	-	-	-	(29,340)
Share-based compensation	-	-	5,535	-	-	5,535
Net loss for the period	-	-	-	(43,718)	(320,423)	(364,141)
Balance as at January 31, 2019	93,277,500	$ 2,041,220	$ 5,535	$ (43,718)	$ (320,423)	$ 1,682,614

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

Cultivar Holdings Ltd.
Consolidated Statement of Cash Flows
for the period from incorporation on December 6, 2017 to January 31, 2019
(in Canadian dollars)

OPERATING ACTIVITIES		
Net loss	$	(364,141)
Non-cash items included in net loss and other adjustments:		
Amortization of property and equipment		4,395
Share-based compensation		5,535
Changes in non-cash working capital:		
Loans and advances		(68,526)
Prepaid expenses		(26,672)
Accrued liabilities		47,113
CASH USED IN OPERATING ACTIVITIES		**(402,296)**
INVESTING ACTIVITIES		
Cash acquired from acquisition		30
Purchase of property and equipment		(18,501)
CASH USED IN INVESTING ACTIVITIES		**(18,471)**
FINANCING ACTIVITIES		
Issuance of share capital for cash		2,070,530
Share issuance costs – cash		(29,340)
Deferred financing costs		(61,474)
CASH PROVIDED BY FINANCING ACTIVITIES		**1,979,716**
NET CHANGE IN CASH DURING THE PERIOD		1,558,949
CASH, BEGINNING OF PERIOD		-
CASH, END OF PERIOD	$	1,558,949
Cash paid for interest and income taxes	$	-

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

1. Organization and Nature of Operations

Cultivar Holdings Ltd. (the "Company" or "Cultivar"), is a holding company whose subsidiaries are in the early stage marijuana services and products, development of cosmetic and edible product lines, as well as investment in technology to detect if an individual is under the influence of cannabis and to predict substance addiction.

The Company was incorporated under the laws of the province of Ontario on December 6, 2017.

On February 15, 2018, the Company acquired a 49% interest in a newly incorporated Cultivar JA Limited, ("CJA") a corporation incorporated under the laws of Jamaica. The remaining 51% interest is owned by local Jamaican business partners. CJA is currently applying for a license to grow high quality cannabis in Jamaica.

On July 16, 2018 the Company acquired a 100% interest in a newly incorporated CannIP Holdings Inc. (formerly 2639745 Ontario Inc.) ("Cann") a corporation incorporated under the laws of the province of Ontario. Cann is engaged in the development of cosmetic and edible product lines, as well as investment in technology to detect an individual influence of cannabis. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann.

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Board of Directors of the Company authorized these financial statements for issuance on September 3, 2019.

2. Basis of Presentation and Going Concern

Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Consolidated Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries CJA and Cann from the date of acquisition. The Company has a 49% interest in CJA, and 100% interest in Cann. All inter-company transactions and balances have been eliminated on consolidation.

Going Concern Assumption

These consolidated financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At January 31, 2019, the Company had cash of $1,558,949, working capital of $1,668,508 and an accumulated deficit of $320,423. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption (Cont'd)

This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Useful life of property and equipment

Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Cash

Cash comprises of cash held at banks and amounts held in trust. The majority of the Company's cash is held in trust. The Company does not invest in any asset-backed deposits or investments.

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net loss. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of such financial instrument.

3. Significant Accounting Policies (Cont'd)

Foreign currency translation (Cont'd)

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share-based payments

The Company grants stock options to buy common shares of the Company to consultants and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Property and equipment:

Property and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of the item of property and equipment consists of the purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss. The cost of repairs and maintenance is expensed as incurred.

The Company amortizes its property and equipment using the following rates:

Equipment	30% per annum, declining balance
Leasehold improvements	Straight line over the term of the lease

3. Significant Accounting Policies (Cont'd)

Impairment

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Measurement (Cont'd)

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Derecognition (Cont'd)

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Loans and advances	Loans and receivables	Amortized cost
Accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

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 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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 asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Significant Accounting Policies (Cont'd)

Accounting standards Issued but not yet applied

New standard IFRS 16 "Leases" This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. As at January 31, 2019, the Company has a land lease agreement in Jamaica and expects that the impact upon adopting this new standard will be the reclassification of the lease as a right-of-use asset on the statement of financial position.

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

4. Acquisition

On February 15, 2018, the Company acquired a 49% interest in a newly incorporated company, CJA, incorporated under the laws of Jamaica. The remaining 51% interest is owned by local business partners. CJA is currently applying for a license to grow high quality cannabis in Jamaica. No consideration was given for the acquisition.

On July 16, 2018 the Company acquired a 100% interest in a newly incorporated company Cann, incorporated under the laws of the province of Ontario. Cann is engaged in the development of a CBD product portfolio, as well as artificial intelligence powered technology to detect cannabis impairment. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann, valued at $30. The net assets acquired on the acquisition were determined to be valued at $30, resulting in no gain or loss on the transaction.

5. Letter of Intent

On December 12, 2018, the Company entered into a non-binding letter of intent with Admiral Bay Resources Inc. ("Admiral") with respect to a reverse take-over transaction which would ultimately result in the Company's common shares being listed on the Canadian Securities Exchange. As of January 31, 2019, the Company advanced $68,526 to Admiral to repay its loans and part of its payables and incurred an additional $61,474 as finders' fees which is classified as deferred costs to be expensed when this transaction is completed.

6. Prepaid Expenses

As of January 31, 2019, a sum of $26,672 (USD $20,292) is unexpended by CJA, which was advanced to its director for future expenses, and classified as prepaid expenses in the consolidated statement of financial position.

(in Canadian dollars)

7. Property and equipment

	Equipment	Leasehold Improvement	Total
Cost			
Balance as at December 6, 2017	$ -	$ -	$ -
Additions	8,585	9,916	18,501
Balance as at January 31, 2019	**$ 8,585**	**$ 9,916**	**$ 18,501**
Accumulated Amortization			
Balance as at December 6, 2017	$ -	$ -	$ -
Amortization	2,146	2,249	4,395
Balance as at January 31, 2019	**$ 2,146**	**$ 2,249**	**$ 4,395**
Net Carrying Amounts			
As at January 31, 2019	**$ 6,439**	**$ 7,667**	**$ 14,106**

8. Stock-based compensation

In October 2018, the Company granted options to a consultant to acquire a total of 250,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 75,000 immediately, and balance 175,000 on completion of milestones, with an expiry term of two years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate	2.26%
Expected dividends	0%
Expected forfeiture rate	0%
Expected volatility	100%
Expected life	2 years
Stock-based compensation cost expensed during the period	$ 3,973
Unvested stock-based compensation expense	$ 9,272

In November 2018, the Company granted options to a consultant to acquire a total of 100,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 25,000 immediately, and 25,000 each on April 1, 2019, September 1, 2019 and March 1, 2020 with an expiry term of three years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate	2.30%
Expected dividends	0%
Expected forfeiture rate	0%
Expected volatility	100%
Expected life	3 years
Stock-based compensation cost expensed during the period	$ 1,562
Unvested stock-based compensation expense	$ 4,686

As of January 31, 2019, there was $13,958 of unvested stock-based compensation expense.

(in Canadian dollars)

8. Stock Based Compensation (Cont'd)

As at January 31, 2019, the Company had the following share purchase options outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Life (Years)	Expiry Date
250,000	75,000	$0.10	1.73	October 25, 2020
100,000	25,000	$0.10	2.77	November 8, 2021
350,000	100,000	$0.10	2.03	

9. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At January 31, 2019, the Company has 93,277,500 common shares issued and outstanding.

b) Share issuances

- The Company issued 30,000,000 common shares, as founders' shares, for $30.
- The Company issued 29,800,000 common shares in a share exchange agreement with Cann, valued at $30 (Note 4).
- The Company issued 24,995,000 common shares at $0.05 per share in private placements and raised $1,249,750. The Company issued 275,000 common shares as finders shares.
- The Company issued 8,207,500 common shares at $0.10 per share in private placements and raised $820,750.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $29,340.

10. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

(in Canadian dollars)

10. Related Party Transactions (Cont'd)

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

				January 31, 2019
Management fees to the CEO	$	56,000		
Management fees to the CFO	$	3,955		
Total Management fees			$	59,955
Vehicle expense to the CEO				4,750
Leasing costs to the CEO				14,250
			$	78,955

As of January 31, 2019, there was $17,113 due to the CEO included in accrued liabilities.

11. Commitments and Contingencies

Effective July 1, 2018, the Company signed a two-year contract with a corporation owned and controlled by the CEO to pay monthly compensation of $8,000 for CEO services. In addition, the Company is obligated to pay monthly rent for $1,500 and an additional $500 for the use of a personal vehicle.

The Company's operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

12. Financial Instruments

The fair value of the Company's accrued liabilities and loans and advances approximate carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

12. Financial Instruments (Cont'd)

Financial risk management and objectives (Cont'd)

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at January 31, 2019, the Company had sufficient cash of $1,558,949 to settle current liabilities of $47,113.

Market Risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are prepaid expenses held by a Director in US Dollars in a Jamaican bank account as well as operating expenses incurred by CJA in US Dollars and Jamaican Dollars. As at January 31, 2019, the Company had net financial assets denominated in US Dollars of approximately $26,700. Therefore, a 10% change in value of the US Dollar versus the Canadian Dollar would give rise to a gain or loss of approximately $2,670. The Company has not entered into any foreign exchange contracts to hedge this risk.

(in Canadian dollars)

13. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at January 31, 2019 totaled $1,682,614. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital or debt of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

14. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

		January 31, 2019
Loss for the period	$	(364,141)
Tax rate		26.5%
Expected income tax recoverable at statutory rate		(96,497)
Impact of future tax rates and other		5,818
Non-deductible items		1,467
Share issuance costs		(7,775)
Change in unrecognized deductible temporary differences		96,987
Total income tax recovery	$	-

Deferred tax assets

The tax effects of temporary differences that give rise to future income tax assets are as follows:

		January 31, 2019
Non-capital losses available for future period	$	90,020
Share issuance costs		5,868
Property and equipment		1,099
Total deferred tax assets		96,987
Less: Unrecognized deferred tax assets		(96,987)
Net deferred tax assets	$	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

		January 31, 2019	Expiry Date
Non-capital losses	$	360,079	2039
Share issuance costs	$	23,472	2039 – 2043
Property and equipment	$	4,395	No expiry

14. Income Taxes (Cont'd)

Tax attributes are subject to review and potential adjustment by tax authorities.

15. Segment Information

The Company is a holding company whose subsidiary in Jamaica is in the early stage marijuana services and products, and another subsidiary in Canada is in the early development of a CBD product portfolio, as well as development of artificial intelligence powered technology to identify if someone is under the influence of cannabis and to predict substance addiction.

There are no revenues during the year. All assets are located in Canada except for property and equipment for $14,106 and prepaid expenses for $26,672 which are located in Jamaica.

16. Subsequent Events

a) On March 18, 2019, the Company executed a teaming agreement with Tech Mahindra Limited ("TechM") incorporated under the laws of India with the desire to act as a team for the purpose of preparing and submitting a proposal of projects pertaining to detection of cannabis and alcohol impairment to customers.

b) On March 19, 2019, the Company executed an agreement with Hindalco Industries Limited ("Hindalco"), a Company incorporated under the laws of India. Both parties intend to establish an ongoing co-operative business relationship in the field of addressing impairment related to drugs and alcohol in the workplace.

c) On May 1, 2019, the Company issued 550,000 common shares to a director for services and 250,000 common shares to a consultant for services.

d) On August 12, 2019, the Company closed a private placement of 3,296,000 units at $0.25 per unit for a consideration of $824,000. Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Company paid finder's fees of $49,320 in cash and issued 66,400 common shares at $0.25 per share.

Cultivar Holdings Ltd.

Condensed interim consolidated financial statements

For the three and six months ended July 31, 2019 and 2018

(Unaudited - expressed in Canadian Dollars)

CULTIVAR HOLDINGS LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JULY 31, 2019 AND 2018

(Unaudited - Amounts expressed in Canadian Dollars)

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Cultivar Holdings Ltd.
Condensed Interim Statements of Financial Position as at July 31, 2019 and January 31, 2019
(Unaudited – expressed in Canadian dollars)

ASSETS		July 31, 2019		January 31, 2019
CURRENT				
Cash	$	1,717,105	$	1,558,949
Loans and advances (Note 5)		99,526		68,526
Deferred costs (Note 5)		107,599		61,474
Prepaid expenses (Note 6)		34,241		26,672
		1,958,471		1,715,621
Property and equipment (Note 7)		11,300		14,106
Right-of-use asset (Note 15)		18,288		-
TOTAL ASSETS	$	1,988,059	$	1,729,727
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accrued liabilities (Note 10)	$	25,596	$	47,113
Lease obligation (Note 16)		11,921		-
		37,517		47,113
Lease obligation (Note 16)		10,476		-
TOTAL LIABILITIES		47,993		
SHAREHOLDERS' EQUITY				
Share Capital		2,121,220		2,041,220
Share subscriptions (Note 14)		478,944		-
Share-based payment reserve		9,084		5,535
Accumulated deficit		(611,970)		(320,423)
		1,997,278	$	1,726,332
Non-controlling interest		(57,212)		(43,718)
TOTAL SHAREHOLDERS' EQUITY		1,940,066		1,682,614
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,988,059	$	1,729,727

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Commitment and contingencies (Note 11)
Subsequent events (Note 18)

Approved on behalf of the Board of Directors:

Signed: Sheldon Kales, CEO and Director

Signed: Rahul Kushwah, Director

Cultivar Holdings Ltd.
Condensed Consolidated Statement of Loss and Comprehensive Loss
for the periods ended:
(Unaudited- expressed in Canadian dollars)

	For the three months ended July 31, 2019	For the three months ended July 31, 2018	For the six months ended July 31, 2019	For the Period from December 6, 2017 to July 31, 2018
Expenses:				
Accretion on lease obligation (Note 16)	$ 1,003	$ -	$ 2,159	$ -
Administration and general	5,134	6,507	11,380	12,162
Amortization of property and equipment (Note 7)	1,403	1,052	2,806	1,267
Amortization of right to use asset (Note 15)	3,048	-	6,096	-
Consulting fees	25,000	-	25,000	-
Leasing and rent costs (Note 10)	4,500	5,250	9,000	20,115
Legal fees	4,689	4,837	13,100	35,050
Management fees (Note 10)	97,000	8,000	126,085	8,000
Patent and trademark expenses	-	-	250	6,288
Research and development	-	-	73,733	-
Samples and testing	-	-	260	-
Share based compensation (Note 8)	1,987	-	3,549	-
Taxes and related	-	-	-	2,650
Travel, entertainment and related	20,933	13,785	28,623	29,357
Vehicle use expenses (Note 10)	1,500	1,750	3,000	1,750
Loss and comprehensive loss	$ (166,197)	$ (41,181)	$ (305,041)	$ (116,639)
Loss and comprehensive loss attributable to:				
Shareholders	$ (160,252)	$ (30,085)	$ (291,547)	$ (79,404)
Non-controlling interest	$ (5,945)	$ (11,096)	$ (13,494)	$ (37,235)
Loss per share-Basic and Diluted	$ (0.002)	$ (0.001)	$ (0.003)	$ (0.004)
Weighted average number of shares outstanding- Basic and Diluted	94,077,500	39,145,000	93,684,130	30,790,567

The accompanying notes are an integral part of these condensed consolidated financial statements

Cultivar Holdings Ltd.
Condensed Consolidated Statement of Changes in Shareholders' Equity
for the periods ended July 31, 2019 and July 31, 2018
(Unaudited-expressed in Canadian dollars)

	Number of common shares outstanding	Share capital	Share subscriptions	Share-based payment reserve	Non-Controlling Interest	Deficit	Total
Balance, December 6, 2017	-	$ -	$ -	$ -	$ -	$ -	$ -
Seed Shares issued for cash	30,000,000	30	-	-	-	-	30
Acquisition of CannIP Holdings Inc.	29,800,000	30	-	-	-	-	30
Private placements	8,870,000	443,500	-	-	-	-	443,500
Shares issued as finders' fees	275,000	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(37,235)	(79,404)	(116,639)
Balance as at July 31, 2018	68,945,000	$ 443,560	$ -	$ -	$ (37,235)	$ (79,404)	$ 326,921
Balance as of January 31, 2019	93,277,500	$ 2,041,220	$ -	$ 5,535	$ (43,718)	$ (320,423)	$ 1,682,614
Share subscriptions	-	-	478,944	-	-	-	478,944
Shares issued for services	800,000	80,000	-	-	-	-	80,000
Share-based compensation	-	-	-	3,549	-	-	3,549
Net loss for the period	-	-	-	-	(13,494)	(291,547)	(305,041)
Balance as at July 31, 2019	94,077,500	$ 2,121,220	$ 478,944	$ 9,084	$ (57,212)	$ (611,970)	$ 1,940,066

The accompanying notes are an integral part of these condensed consolidated financial statements

Cultivar Holdings Ltd.
Consolidated Statement of Cash Flows
for the periods ended:
(Unaudited-expressed in Canadian dollars)

	For the six months ended July 31, 2019	For the period from December 6, 2017 to July 31, 2018
OPERATING ACTIVITIES		
Net loss	$ (305,041)	$ (116,639)
Non-cash items included in net loss and other adjustments:		
Accretion on lease obligation	2,159	-
Amortization of property and equipment	2,806	1,267
Amortization on rights-of-use asset	6,096	-
Share-based compensation	3,549	-
Shares issued for services	80,000	-
Changes in non-cash working capital:		
Loans and advances	(31,000)	-
Prepaid expenses	(7,569)	(36,255)
Accrued liabilities	(21,517)	477
CASH USED IN OPERATING ACTIVITIES	(270,517)	(151,150)
INVESTING ACTIVITIES		
Cash acquired from acquisition	-	30
Lease obligation expense	(4,146)	-
Purchase of property and equipment	-	(18,501)
CASH USED IN INVESTING ACTIVITIES	(4,146)	(18,471)
FINANCING ACTIVITIES		
Issuance of share capital for cash	-	443,530
Share subscriptions received	478,944	-
Deferred financing costs	(46,125)	-
CASH PROVIDED BY FINANCING ACTIVITIES	432,819	443,530
NET CHANGE IN CASH DURING THE PERIOD	158,156	273,909
CASH, BEGINNING OF PERIOD	1,558,949	-
CASH, END OF PERIOD	$ 1,717,105	$ 273,909
Cash paid for interest and income taxes	$ -	$ -

The accompanying notes are an integral part of these condensed consolidated financial statements

1. Organization and Nature of Operations

Cultivar Holdings Ltd. (the "Company" or "Cultivar"), is a holding company whose subsidiaries are in the early stage marijuana services and products, development of cosmetic and edible product lines, as well as investment in technology to detect if an individual is under the influence of cannabis and to predict substance addiction.

The Company was incorporated under the laws of the province of Ontario on December 6, 2017.

On February 15, 2018, the Company acquired a 49% interest in a newly incorporated Cultivar JA Limited, ("CJA") a corporation incorporated under the laws of Jamaica. The remaining 51% interest is owned by local Jamaican business partners. CJA is currently applying for a license to grow high quality cannabis in Jamaica.

On July 16, 2018 the Company acquired a 100% interest in a newly incorporated CannIP Holdings Inc. (formerly 2639745 Ontario Inc.) ("Cann") a corporation incorporated under the laws of the province of Ontario. Cann is engaged in the development of cosmetic and edible product lines, as well as investment in technology to detect an individual influence of cannabis. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann.

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Board of Directors of the Company authorized these financial statements for issuance on September 30, 2019.

2. Basis of Presentation and Going Concern

Basis of Preparation

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

These condensed interim consolidated financial statements (the "Financial Statements") are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the period ended January 31, 2019, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements are based on accounting policies as described in the January 31, 2019 annual consolidated financial statements except that, effective February 1, 2019, the Company implemented IFRS 16 'Leases' (see notes 15 and 16).

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries CJA and Cann from the date of acquisition. The Company has a 49% interest in CJA, and 100% interest in Cann. All inter-company transactions and balances have been eliminated on consolidation.

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

These consolidated financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At July 31, 2019, the Company had cash of $1,717,105, working capital of $1,920,954 and an accumulated deficit of $611,970. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of property and equipment

Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

Approval of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on September 30, 2019.

3. Significant Accounting Policies

The accounting policies set out in the consolidated financial statements at January 31, 2019, have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

New standards adopted

(a) Leases and right-of-use assets

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

At February 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

3. Significant Accounting Policies (Cont'd)

New standards adopted (Cont'd)

(a) Leases and right-of-use assets (Cont'd)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. The Company adopted this standard and the impact on the Company's unaudited condensed interim consolidated financial statements are disclosed in notes 15 and 16.

(b) Uncertainty over Income Tax Treatments: On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company adopted this standard at February 1, 2019 and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

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

(in Canadian dollars)

4. Acquisition

On February 15, 2018, the Company acquired a 49% interest in a newly incorporated company, CJA, incorporated under the laws of Jamaica. The remaining 51% interest is owned by local business partners. CJA is currently applying for a license to grow high quality cannabis in Jamaica. No consideration was given for the acquisition.

On July 16, 2018 the Company acquired a 100% interest in a newly incorporated company Cann, incorporated under the laws of the province of Ontario. Cann is engaged in the development of a CBD product portfolio, as well as artificial intelligence powered technology to detect cannabis impairment. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann, valued at $30. The net assets acquired on the acquisition were determined to be valued at $30, resulting in no gain or loss on the transaction.

5. Letter of Intent

On December 12, 2018, the Company entered into a non-binding letter of intent with Admiral Bay Resources Inc. ("Admiral") with respect to a reverse take-over transaction which would ultimately result in the Company's common shares being listed on the Canadian Securities Exchange. As of July 31, 2019, the Company advanced $99,526 (January 31, 2019 $68,526) to Admiral to repay its loans and part of its payables and incurred $107,599 as legal and finders' fees which is classified as deferred costs to be expensed when this transaction is completed (January 31, 2019 - $61,474).

6. Prepaid Expenses

As of July 31, 2019, a sum of $34,241 (USD $26,043) is unexpended by CJA, which was advanced to its director for future expenses, and classified as prepaid expenses in the consolidated statement of financial position (January 31, 2019: $26,672 (USD $20,292)).

7. Property and Equipment

	Equipment	Leasehold Improvement	Total
Cost			
Balance as at December 6, 2017	$ -	$ -	$ -
Additions	8,585	9,916	18,501
Balance as at January 31, 2019	$ **8,585**	$ **9,916**	$ **18,501**
Additions	-	-	-
Balance as at July 31, 2019	$ **8,585**	$ **9,916**	$ **18,501**
Accumulated Amortization			
Balance as at December 6, 2017	$ -	$ -	$ -
Amortization	2,146	2,249	4,395
Balance as at January 31, 2019	$ **2,146**	$ **2,249**	$ **4,395**
Amortization	**966**	**1,840**	**2,806**
Balance as at July 31, 2019	$ **3,112**	$ **4,089**	$ **7,201**
Net Carrying Amounts			
As at January 31, 2019	$ 6,439	$ 7,667	$ 14,106
As at July 31, 2019	$ 5,473	$ 5,827	$ 11,300

(in Canadian dollars)

8. Stock-Based Compensation

a) In October 2018, the Company granted options to a consultant to acquire a total of 250,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 75,000 immediately, 37,500 at the date of engineering milestone (vested during the period ended July 31, 2019) and balance 137,500 on completion of additional milestones, including 75,000 on model development and 62,500 on project handover, with an expiry term of two years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		2.26%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		100%
Expected life		2 years
Unvested stock-based compensation expense as of January 31, 2019	$	9,272

During the six-month period ended July 31, 2019, the Company expensed $1,987 relating to the vesting of 37,500 options, resulting in unvested stock-based compensation expense of $7,285 as of July 31, 2019.

b) In November 2018, the Company granted options to a consultant to acquire a total of 100,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 25,000 immediately, and 25,000 each on April 1, 2019, September 1, 2019 and March 1, 2020 with an expiry term of three years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		2.30%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		100%
Expected life		3 years
Unvested stock-based compensation expense as of January 31, 2019	$	4,686

During the six-month period ended July 31, 2019, the Company expensed $1,562 relating to the vesting of 25,000 options, resulting in unvested stock- based compensation expense of $3,124 as of July 31, 2019.

As of July 31, 2019, there was $10,409 (January 31, 2019: $13,958) of unvested stock-based compensation expense.

No options were issued during the period from incorporation on December 7, 2017 to July 31, 2018, and hence no stock-based compensation was incurred during that period.

Continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 7, 2017	-	$ -
Issued	350,000	$0.10
Outstanding, January 31, 2019 and July 31, 2019	350,000	$0.10

(in Canadian dollars)

8. Stock-Based Compensation (Cont'd)

As at July 31, 2019, the Company had the following share purchase options outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Life (Years)	Expiry Date
250,000	112,500	$0.10	1.24	October 25, 2020
100,000	50,000	$0.10	2.28	November 8, 2021
350,000	162,500	$0.10	1.54	

9. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At July 31, 2019, the Company has 94,077,500 common shares issued and outstanding.

b) Share issuances

<u>During the period ended July 31, 2019:</u>

- The Company issued 800,000 common shares at $0.10 for services. This includes 550,000 common shares issued to a director valued at $55,000 (Note 10).

<u>During the period ended January 31, 2019:</u>

- The Company issued 30,000,000 common shares, as founders' shares, for $30.
- The Company issued 29,800,000 common shares in a share exchange agreement with Cann, valued at $30 (Note 4).
- The Company issued 24,995,000 common shares at $0.05 per share in private placements and raised $1,249,750. The Company issued 275,000 common shares as finders shares.
- The Company issued 8,207,500 common shares at $0.10 per share in private placements and raised $820,750.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $29,340.

(in Canadian dollars)

10. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		Six months ended July 31, 2019		Incorporation on December 6, 2017 to July 31, 2018
Management fees to the CEO	$	48,000	$	8,000
Management fees to a director	$	18,000	$	-
Management fees (issued in shares) to a director	$	55,000	$	-
Management fees to the CFO	$	5,085	$	-
Total Management fees	$	126,085	$	8,000
Vehicle expense to the CEO	$	3,000	$	1,750
Rent to the CEO included in leasing and rent costs	$	9,000	$	5,250
		138,085	$	15,000

		Three months ended July 31, 2019		Three months ended July 31, 2018
Management fees to the CEO	$	24,000	$	8,000
Management fees to a director	$	18,000	$	-
Management fees (issued in shares) to a director	$	55,000	$	-
Total Management fees	$	97,000	$	8,000
Vehicle expense to the CEO	$	1,500	$	1,750
Rent to the CEO included in leasing and rent costs	$	4,500	$	5,250
		103,000	$	15,000

As of July 31, 2019, there was $nil due to any related parties. (January 31, 2019 - $17,113 due to the CEO, included in accrued liabilities)

11. Commitments and Contingencies

Effective July 1, 2018, the Company signed a two-year contract with a corporation owned and controlled by the CEO to pay monthly compensation of $8,000 for CEO services. In addition, the Company is obligated to pay monthly rent for $1,500 and an additional $500 for the use of a personal vehicle.

The Company's operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

12. Financial Instruments

The fair value of the Company's accrued liabilities and loans and advances approximate carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at July 31, 2019, the Company had sufficient cash of $1,717,105 to settle current liabilities of $37,517.

Market Risk

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

12. Financial Instruments (Cont'd)

Financial risk management and objectives (Cont'd)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are prepaid expenses held by a Director in US Dollars in a Jamaican bank account as well as operating expenses incurred by CJA in US Dollars and Jamaican Dollars. As at July 31, 2019, the Company had net financial assets denominated in US Dollars of approximately $34,000 (January 31, 2019 – $26,700). Therefore, a 10% change in value of the US Dollar versus the Canadian Dollar would give rise to a gain or loss of approximately $3,400 (January 31, 2019 – $2,670). The Company has not entered into any foreign exchange contracts to hedge this risk.

13. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at July 31, 2019 totaled $1,940,066. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital or debt of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There was no change to the Company's approach in capital management during the period. The Company is not subject to externally imposed capital restrictions.

14. Share Subscriptions

The Company received $478,944 in cash as subscriptions for private placement of 1,915,776 units at $0.25 per unit. The subscriptions were closed on August 12, 2019. (Refer to note 18). Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months.

(in Canadian dollars)

15. Right-of-use Asset

IFRS 16-right-of-use asset recognition (Note 16)	$24,384
Right -of-use asset at February 1, 2019	**$24,384**
Amortization	(6,096)
Balance, July 31, 2019	**$18,288**

Right-of-use asset consists of lease for warehouse space amortized over 25 months.

Maturity analysis-contractual undiscounted cash flows

As at July 31, 2019	
Less than one year	$14,557
Greater than one year	$ 8,491
Total undiscounted lease obligation	$23,048

16. Lease Liability

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18% which is the Company's incremental borrowing rate. The continuity of the lease liabilities is presented in the table below:

Balance February 1, 2019	**$24,384**
Interest accretion expense	$2,159
Lease payments made during the period	$(4,146)
Balance July 31, 2019	**$22,397**
As at July 31, 2019	
Less than one year	$11,921
Greater than one year	$10,476
Total lease obligation	$22,397

17. Segment Information

The Company is a holding company whose subsidiary in Jamaica is in the early stage marijuana services and products, and another subsidiary in Canada is in the early development of a CBD product portfolio, as well as development of artificial intelligence powered technology to identify if someone is under the influence of cannabis and to predict substance addiction.

There are no revenues during the periods presented. All assets are located in Canada except for property and equipment for $11,300 (January 31, 2019 - $14,106), right of use asset for $18,288 (January 31, 2019 - $Nil) and prepaid expenses for $34,241 (January 31, 2019 - $26,672) which are located in Jamaica.

18. Subsequent Events

a) On August 12, 2019, the Company closed a private placement of 3,296,000 units at $0.25 per unit for a consideration of $824,000, of which $478,944 was received during the period ended July 31, 2019 (Note 14). Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Company paid finder's fees of $49,320 in cash and issued 66,400 common shares at $0.25 per share.

b) Merger transaction:

Parties to the Transaction: Admiral Bay Resources Inc. (the "Corporation"), a public company existing under the laws of British Columbia, Cultivar Holdings Ltd. ("Company"), and 2693980 Ontario Inc. ("Admiral Sub"), a private company incorporated under the laws of Ontario.

Description of the Transaction: Effective September 23, 2019, the Corporation completed the previously announced acquisition of all of the issued and outstanding shares of the Company by way of a three-cornered amalgamation, pursuant to which the Admiral Sub amalgamated with the Company (the "Transaction"). Pursuant to the Transaction, each registered shareholder of the Company (a "Company Shareholder") received one (1) common share in the capital of the Corporation for each Company common share held (each a "Company Share"), resulting in the issuance of an aggregate of 97,439,900 common shares of the Corporation to Company Shareholders. As part of the Transaction, warrants of Company were replaced with common share purchase warrants of the Corporation. In addition, 500,000 Company shares were set aside to be issued to members of Company's management team upon the final approval of Jamaica's Cannabis Licensing Authority for the licences involved in the cultivation, processing, retail and transportation of cannabis. At the time of closing, the Company also had outstanding warrants exercisable into an aggregate of 1,648,000 Company shares at a price of $0.50 per share until August 12, 2021.

The Corporation also changed its name from "Admiral Bay Resources Inc." to "Cultivar Holdings Inc.". Following completion of the Transaction, the directors and officers of the Corporation are as follows: Sheldon Kales (Director and Chief Executive Officer), Dr. Rahul Kushwah (Director and Chief Operating Officer), Rakesh Malhotra (Chief Financial Officer), Tom Sipos (Director), and Ajit Kumar (Director).

SCHEDULE "C"

CULTIVAR MD&A

Please see the attached.

Admiral Bay Resources Inc.

MANAGEMENT DISCUSSION & ANALYSIS

FORM 51-102F1

For the year ended July 31, 2018

November 26, 2018

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the year ended July 31, 2018, compared to the year ended July 31, 2017. This report prepared as at November 26, 2018 intends to complement and supplement our financial statements (the "financial statements") as at July 31, 2018 and should be read in conjunction with the financial statements and the accompanying notes, which have been prepared in according with International Financial Reporting Standards.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Admiral Bay", we mean Admiral Bay Resources Inc., as it may apply.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

OVERVIEW AND DESCRIPTION OF BUSINESS

Admiral Bay Resources Inc. ("the Company") was originally incorporated under the name Riviera Explorations Ltd. pursuant to the Business Corporations Act (British Columbia) on September 3, 1987. In 1993 the Company changed its name to Kentucky Oil & Gas Inc., and in 1994 to Integrated Card Technologies Inc., in 1997 to Arizona Ventures Ltd., and on August 31, 1998 to Admiral Bay Resources Inc. The Company was a listed issuer on the TSX-V under the symbol "ADB". On December 6, 2011 a Cease trade order was issued by the director of the BCSC for not meeting the required financial statements filing requirements.

On February 23, 2016, the BCSC issued a Partial Revocation Order to solely permit each of the Definitive Agreement, including the Funding Provision, and the Reorganization Agreement. The Company proposed to negotiate a Definite Agreement to enter into an amalgamation agreement with an Alberta corporation and a British Columbia corporation, both to be created, the Reorganization Agreement. The Definitive agreement would also contain the Funding Provision to cover the costs to bring the required filings up to date. The Definite Agreement was not completed.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2018

On May 16, 2018, the Company received the following revocation orders:

- Revocation Order dated May 16, 2018 from the British Columbia Securities Commission to a Cease Trade Order ("CTO") previously issued on December 6, 2011; and
- Revocation Order dated May 16, 2018 from the Alberta Securities Commission to a CTO previously issued on March 5, 2012.

The CTOs were issued by the BCSC and the ASC, as a result of the failure of the Company, under its previous management, to file annual audited financial statements and related management discussion and analysis within the required time. The Company has addressed all of the outstanding filing deficiencies and brought its continuous disclosure records on SEDAR up to date. As a condition for receiving the revocation orders, the Company has provided the Commissions with an undertaking to hold its annual shareholders' meeting within three months after the CTOs are revoked.

Management is currently seeking new opportunities as it does not hold any material resource property interests at this time.

The Company is engaged in the business of acquiring, exploring and developing natural resource properties, with a focus on emerging unconventional gas production. Admiral Bay's registered office is located at 810 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

Announcements

During the year, the Company announced the following:

- The Company appointed Mr. Joel Dumaresq to its Board of Directors.
- The Company has appointed Mr. Johannes (Theo) van der Linde, a current member of the board of directors (the "Board") Company, as Chief Executive Officer and President of the Company to fill the vacancy left by Mr. Steven Tedesco who resigned and;
- The Company appointed Mr. Eugene Beukman, also a current member of the Board, as the Company's Chief Financial Officer and Corporate Secretary.

Equity

On July 25, 2018, the Company completed a non-brokered private placement and issued an aggregate of 6,000,000 common shares for gross proceeds of $6,000. The Company intends to use the private placement funds for working capital purposes.

During the year ending July 31, 2017 there were no equity transactions.

OVERALL PERFORMANCE

At July 31, 2018, the Company had no revenue had accumulated losses of $50,255,790 (2017 - $50,213,105) since its inception and has negative working capital of $70,306 (2017 - $33,621). The Company incurred losses of and reported a net loss and comprehensive loss of $42,685 (2017 - $14,750) for the year. The Company used $26,508 cash in operating activities. During the year ended July 31, 2018, the Company generated cash through financing activities as it obtained three separate loans and a private placement for total gross proceeds of $37,526.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2018

SELECTED ANNUAL INFORMATION FOR THE PAST THREE YEARS

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the Financial Statements. Financial Statements for all years presented are prepared in accordance with IFRS.

	Fiscal Years Ended July 31,		
	2018	**2017**	**2016**
	$	$	$
Total Revenue	-	-	-
Total Assets	17,671	2,652	1,326
Total non-current financial liabilities	-	-	-
Total liabilities	87,977	36,273	20,197
Net loss for the year	42,685	14,750	9,449
Basic and diluted loss per share	(0.07)	(0.03)	(0.02)

Total assets in 2018 increased as a result of the proceeds from loans obtained in the current year. Net loss has increased from previous years due to increased activity in 2018 and 2017. In 2017, net loss was made up mainly due to professional fees and in 2018 rent and transfer agent costs contributed to the increased losses.

BUSINESS STRATEGY

Management is currently seeking new opportunities as it does not hold any material resource property interests at this time. The Company is engaged in the business of acquiring, exploring and developing natural resource properties, with a focus on emerging unconventional gas production.

RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the summary of quarterly results conform to IFRS standards.

For the Years Ended July 31,	2018 $	2017 $
Expenses		
Consulting fees	4,524	-
Office and miscellaneous	2,774	-
Professional fees	10,645	14,200
Rent	15,500	-
Transfer agent and filing fees	10,958	550
Total expenses	(44,401)	(14,750)
Other items		
Interest income	124	-
Recovery of expenses	1,592	-
Loss and comprehensive loss for the year	(42,685)	(14,750)
Loss and comprehensive loss per share - basic and diluted	(0.07)	(0.03)
Weighted average number of shares outstanding – basic and diluted	612,879	514,249

For the year ended July 31, 2018 compared to the year ended July 31, 2017

The Company recorded net loss of $42,685 for the year ended July 31, 2018 compared to a net loss of $14,750 for the year ended July 31, 2017. Some of the significant charges to operations are as follows:

- General and Administration expenses of $2,774 (2017 - $Nil) consisted mainly of postage, courier and bank charges as new bank accounts were opened for the Company.
- Professional fees of $10,645 (2017 - $14,200) decreased by $3,555 mainly due to the accounting charges that was higher in the prior year incurred in the previous period to bring the accounting records and financial statements up to date.
- Rent expense of $15,500 (2017 - $Nil) incurred for the current period. The Company had no rental obligations in the prior year.
- Transfer agent and filing fees of $10,958 (2017 - $550). An increase of $10,408 was incurred in the year ended July 31, 2018 to comply with its regulatory filing requirements to bring the Company into good standing.
- Recovery expenses increased to $1,592 (2017 - $Nil). The company expensed claimable historical GST/HST amounts and intends to collect. Thus, the Company recorded a recovery to expenses of $1,592.

Cash flow Analysis

Operating activities

During the year ended July 31, 2018 and 2017, cash used in operating activities was $26,508 and $Nil, respectively. The increase is primarily due to greater spending on operational activities as discussed above.

Financing activities

During the year ended July 31, 2018 the Company obtained three separate loans for total gross proceeds of $31,526. The loans are unsecured, non-interest bearing and due on demand. In addition, the Company completed a non-brokered private placement issuing 6,000,000 common shares and raised gross proceeds of $6,000. The Company had no cash and these loans and private placement enabled the Company to pay for necessary expenses as they occur in the process to comply with its regulatory filing requirements to bring the Company in good standing.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	Jul 31 2018 $	Apr 30 2018 $	Jan 31 2018 $	Oct 31 2017 $	Jul 31 2017 $	Apr 30 2017 $	Jan 31 2017 $	Oct 31 2016 $
Deficit and Cash Flow								
Interest revenue	-	-	-	-	-	-	-	-
Net income (loss)	(20,362)	(10,603)	(6,835)	(4,885)	(1,500)	(2,050)	(1,500)	(9,700)
Basic and diluted gain (loss) per share	(0.03)	(0.02)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.02)
Balance Sheet								
Total Assets	17,671	12,838	20,232	2,821	2,652	2,652	2,652	2,652

Over the last eight quarters operational expenses fluctuated mainly due to professional fees and rent charges as spending as well as attempts to preserve cash spending on general and administrative and the fact that operations have been put on hold for a period of time. The quarter ending October 31, 2016 show an increase in net loss due to an audit expense that exceeded provisions. The quarter ending October 31, 2017 and January 31, 2018 shows increased expenses as it includes rental expenses. The Company had no rental obligations in the comparative periods. The quarter ending January 31, 2018 also includes transfer agent and filing fees to comply with its filing requirements. The quarter ending July 31, 2018 and April 30, 2018 show increased expenses as it includes rental expenses and filing fees.

LIQUIDITY AND CAPITAL RESOURCES

The annual financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through loans, debentures and future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise future plans depending on its working capital position.

As at July 31, 2018 the Company had a negative working capital of $70,306 (July 31, 2017 - $33,621). Current assets primarily consisted of, cash of $11,018 (July 31, 2017 - $Nil), receivables of $6,653 (July 31, 2017 - $2,652). Current liabilities, being loans payable of $31,526 (July 31, 2017 - $Nil), accounts payable and accrued liabilities as at July 31, 2018 amounted to $56,451 (July 31, 2017 - $36,273). Refer to the annual financial statements for the years ended July 31, 2018 and 2017 for more information on the use of cash in operating, investing and financing activities.

Other than the above mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or future equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

DIRECTORS AND OFFICERS

The Directors and Officers of the Company for the year ended July 31, 2018 are as follows:

Theo van der Linde	Director, President and CEO
Eugene Beukman	Director, CFO and Corporate Secretary
Joel Dumaresq	Director
Steven Tedesco	Director, Former President, Former CEO and Former Secretary

TRANSACTIONS WITH RELATED PARTIES

Key management compensation was $nil for the year ended July 31, 2018 and 2017.

During the year ended July 31, 2018 and 2017, the Company entered into transactions with related parties comprised of Directors, Officers and Companies with common Directors.

	Years ended	
	July 31, 2018 $	July 31 2017 $
Consulting fees to a private company controlled by Eugene Beukman	4,500	-
Professional fees to a private company controlled by Eugene Beukman	3,500	-
Rent to private companies controlled Theo van der Linde and Eugene Beukman	15,500	-
Filing fees to a private company controlled by Eugene Beukman	1,100	-
Total	24,600	-

The amounts due to related parties consist of the following as at July 31, 2018 and July 31, 2017:

	2018 $	2017 $
Included in accounts payable	25,474	-
Included in loans payable	21,526	-
Due to related parties	47,000	-

An amount of $21,526 (2017 - $Nil) is included in loans due to related parties above and it is for working capital purposes. The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

FOURTH QUARTER RESULTS

The Company incurred a loss of $20,362 in the fourth quarter of 2018 (2017 - $1,500) and show increased expenses of $20,578 as it includes general and administration, consulting, rental expenses and filing fees.

	Quarter ended July 31, 2018 $	2017 $
Expenses		
Consulting	4,524	
General and administration	2,419	-
Professional fees	5,640	1,500
Rent	6,500	-
Transfer agent and filing fees	2,995	-
Total expenses	**(22,078)**	(1,500)
Other Items		
Interest income	124	-
Recovery of expenses	1,592	-
Loss and comprehensive loss	**(20,362)**	(1,500)
Basic and diluted loss per share	**(0.03)**	(0.00)

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Significant areas where judgment is applied include the carrying value and recoverability of mineral property costs and the valuations of the non-cash transactions. Actual results could differ from these estimates. 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. However, actual outcomes can differ from these estimates. The estimates and assumptions that have a significant risk of causing material adjustments to the Company's financial statements are addressed below.

(i) the $nil provision for income taxes which is included in the statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the statements of financial position.

FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, loans payable, and accounts payable. The carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient liquidity to meet its financial obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company cautions that there are insufficient funds to meet its short-term business requirements, taking into account that there are no cash flows from operations and its holdings of cash and cash equivalents are inadequate to meet its anticipated obligations.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. As at July 31, 2018, the Company had a working capital deficiency of $70,306 (July 31, 2017 - $33,621). In order to meet its longer-term working capital, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change, and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more operating activities. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms. The Company does not have sufficient working capital to carry out all budgeted programs in fiscal 2019 and must secure additional financing during fiscal 2019 to avoid disruption in planned expenditures.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) Interest rate risk

   Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has non-material exposure at July 31, 2018 to interest rate risk through its financial instruments.

b) Foreign currency risk

   The Company's financial assets and liabilities are not exposed to foreign currency risk.

OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

Going Concern

The financial statements for the year ended July 31, 2018 have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several material uncertainties may cast a significant doubt on the validity of this assumption. The Company has incurred losses since inception and has no current source of revenue. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given the volatile and uncertain financial markets.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. At July 31, 2018, the Company had a deficit of $50,255,790 (July 31, 2017 - $50,213,105) and a negative working capital of $70,306 (July 31, 2017 - $33,621).

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to continue as a going-concern, the net realizable values of its assets may be materially less than the amounts recorded on the statement of financial position.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue suitable business opportunities and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' 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 debt, in the future issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares monthly and annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to whether its current capital resources will be sufficient to carry its future exploration and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations. There are no changes in the Company's approach to capital management.

Outstanding Share Data

The table below presents the Company's common share data as of November 26, 2018.

	Number of common shares	Share Price	Expiry Date
Common Shares, issued and outstanding *	6,514,249	N/A	N/A
Stock options convertible into common shares	Nil	N/A	N/A
Warrants convertible into common shares	Nil	N/A	N/A
Total outstanding – fully diluted	6, 514,249	N/A	N/A

*On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

RISKS AND UNCERTAINTIES

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations. The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable, especially in today's volatile and uncertain financial markets. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Foreign Country and Political Risk

The Company might from time to time pursue mineral properties in unstable political or economic countries. The Company would be subject to certain risks, including currency fluctuations and possible political or economic instability in certain jurisdictions, which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes may also adversely affect the Company's business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety. The Company does not presently own/pursue foreign exploration projects.

RISKS AND UNCERTAINTIES (CONTINUED)

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labor standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Company and its directors, officers and employees. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on a stock exchange may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of Interest

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act, British Columbia ("Corporations Act") in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Admiral Bay's general and administrative expenses and exploration and evaluation costs is provided in the Company's statement of loss and note disclosures contained in its financial statements for the year ended July 31, 2018. These statements are available on SEDAR - Site accessed through www.sedar.com.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2018

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of certain properties.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2018

Forward Looking Information

Certain statements in this document constitute "forward-looking statements" and are based on current expectations and involve risks and uncertainties, referred to above and or in the Company's financial statements for the year ended July 31, 2018, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Examples of such forward looking statements include statements regarding financial results and expectations for 2019. This list is not exhaustive and should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein including, without limitation, under the heading "Risks and Uncertainties" and/or the financial statements, and include unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. These forward-looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A. Additional information, including interim and annual financial statements, circulars and other disclosure documents, may also be examined and/or obtained through the Internet by accessing the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

Admiral Bay Resources Inc.

MANAGEMENT DISCUSSION & ANALYSIS

FORM 51-102F1

For the nine-month period ended April 30, 2019

July 2, 2019

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the nine-month period ended April 30, 2019, compared to the nine-month period ended April 30, 2018. This report prepared as at July 2, 2019 intends to complement and supplement our condensed interim financial statements (the "financial statements") as at April 30, 2019 and should be read in conjunction with the financial statements and the accompanying notes, for the period ended April 30, 2019, which have been prepared in according with International Financial Reporting Standards.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Admiral Bay", we mean Admiral Bay Resources Inc., as it may apply.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

OVERVIEW AND DESCRIPTION OF BUSINESS

Admiral Bay Resources Inc. ("the Company") was originally incorporated under the name Riviera Explorations Ltd. pursuant to the Business Corporations Act (British Columbia) on September 3, 1987. In 1993 the Company changed its name to Kentucky Oil & Gas Inc., and in 1994 to Integrated Card Technologies Inc., in 1997 to Arizona Ventures Ltd., and on August 31, 1998 to Admiral Bay Resources Inc. The Company was a listed issuer on the TSX-V under the symbol "ADB". On December 6, 2011 a Cease trade order was issued by the director of the BCSC for not meeting the required financial statements filing requirements.

On February 23, 2016, the BCSC issued a Partial Revocation Order to solely permit each of the Definitive Agreement, including the Funding Provision, and the Reorganization Agreement. The Company proposed to negotiate a Definite Agreement to enter into an amalgamation agreement with an Alberta corporation and a British Columbia corporation, both to be created, the Reorganization Agreement. The Definitive agreement would also contain the Funding Provision to cover the costs to bring the required filings up to date. The Definite Agreement was not completed.

OVERVIEW AND DESCRIPTION OF BUSINESS (CONTINUED)

On May 16, 2018, the Company received the following revocation orders:

- Revocation Order dated May 16, 2018 from the British Columbia Securities Commission to a Cease Trade Order ("CTO") previously issued on December 6, 2011; and
- Revocation Order dated May 16, 2018 from the Alberta Securities Commission to a CTO previously issued on March 5, 2012.

The CTOs were issued by the BCSC and the ASC, as a result of the failure of the Company, under its previous management, to file annual audited financial statements and related management discussion and analysis within the required time. The Company has addressed all of the outstanding filing deficiencies and brought its continuous disclosure records on SEDAR up to date. As a condition for receiving the revocation orders, the Company has provided the Commissions with an undertaking to hold its annual shareholders' meeting within three months after the CTOs are revoked.

Management is currently seeking new opportunities as it does not hold any material resource property interests at this time.

The Company is engaged in the business of acquiring, exploring and developing natural resource properties, with a focus on emerging unconventional gas production. Admiral Bay's registered office is located at 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

Announcements

During the nine- month period ended April 30, 2019, the Company announced the following:

- The resignation of Johannes van der Linde, Eugene Beukman, Joel Dumaresq and Steven Tedesco from the Board of Directors; and,
- The appointment of Rajendra Kushwah, Dr. Rahul Kushwah, and Michelle Butler.
- The Company entered into a non-binding letter of intent with Cultivar Holdings Ltd. With respect to a reverse take-over transaction which would ultimately result in the Company's common shares being listed on the Canadian Securities Exchange.

Equity

During the period ending April 30, 2019 there were no equity transactions.

During the year ended July 31, 2018, the following equity transactions were completed:

On July 25, 2018, the Company completed a non-brokered private placement and issued an aggregate of 6,000,000 common shares for gross proceeds of $6,000. The Company intends to use the private placement funds for working capital purposes.

On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

During the year ending July 31, 2017 there were no equity transactions.

ADMIRAL BAY RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED APRIL 30, 2019

OVERALL PERFORMANCE

At April 30, 2019, the Company had no revenue had accumulated losses of $50,268,922 (July 31, 2018 - $50,255,790) since its inception and has negative working capital of $83,438 (July 31, 2018 - $70,306). The Company incurred losses of and reported a net loss of $13,132 (2018 - $22,323) for the nine- month period.

BUSINESS STRATEGY

Management is currently seeking new opportunities as it does not hold any material resource property interests at this time. The Company is engaged in the business of acquiring, exploring and developing natural resource properties, with a focus on emerging unconventional gas production.

RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the summary of quarterly results that conform to IFRS standards.

	Three- month period ended April 30,		Nine- month period ended April 30,	
	2019	2018	**2019**	2018
	$	$	$	$
Administrative Expenses				
Office and miscellaneous	37	19	**514**	355
Professional fees	-	1,620	**7,500**	5,005
Rent	-	3,000	-	9,000
Transfer agent and filing fees	-	5,964	**5,118**	7,963
	37	10,603	**13,132**	22,323
Net (loss) and comprehensive (loss) for the periods	(37)	10,603	**(13,132)**	(22,323)
(Loss) per share - basic and diluted	**(0.00)**	(0.00)	**(0.00)**	(0.00)
Weighted average number of shares outstanding – basic and diluted	6,514,249	5,142,226	6,514,249	5,142,226

For the nine-month period ended April 30, 2019 compared to the nine-month period ended April 30, 2018

The Company recorded net loss of $13,132 for the nine-month period ended April 30, 2019 compared to a net loss of $22,323 for the nine-month period ended April 30, 2018. Some of the significant charges to operations are as follows:

- Professional fees of $7,500 (2018 - $5,005) include general corporate legal, audit and accounting for the nine-month period.
- Rent expense of $nil (2018 - $9,000) for the period.
- Transfer agent and filing fee of $5,118 (2018-$7,963) for the period.

Cash flow Analysis

Operating activities
During the period ended April 30, 2019 and 2018, cash used in operating activities was $54,518 and $23,225, respectively. During the nine- month period ended April 30, 2019, the Company paid off accounts payable of $47,324 primarily utilizing the cash from financing activities for $44,357.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	April 30 2019 $	Jan 31 2019 $	Oct 31 2018 $	Jul 31 2018 $	Apr 30 2018 $	Jan 31 2018 $	Oct 31 2017 $	Jul 31 2017 $
Deficit and Cash Flow								
Net income (loss)	(37)	(9,957)	(3,138)	(20,362)	(10,603)	(6,835)	(4,885)	(1,500)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.03)	(0.02)	(0.01)	(0.01)	(0.00)
Balance Sheet								
Total Assets	1,572	1,608	15,840	17,671	12,838	20,232	2,821	2,652

Over the last eight quarters operational expenses fluctuated mainly due to professional fees and rent charges as spending as well as attempts to preserve cash spending on general and administrative and the fact that operations have been put on hold for a period of time. The quarter ending October 31, 2017 and January 31, 2018 shows increased expenses as it includes rental expenses. The Company had no rental obligations in the comparative periods. The quarters ended January 31, 2019 and 2018 also included transfer agent and filing fees to comply with its filing requirements. The quarter ending July 31, 2018 and April 30, 2018 show increased expenses as it includes rental expenses and filing fees.

LIQUIDITY AND CAPITAL RESOURCES

The annual financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through loans, debentures and future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise future plans depending on its working capital position.

As at April 30, 2019 the Company had a working capital deficiency of $83,438 (July 31, 2018 - $70,306). Current assets primarily consisted of, cash of $857 (July 31, 2018 - $11,018), receivables of $715 (July 31, 2018 - $6,653). Current liabilities, being loans payable of $75,883 (July 31, 2018 - $31,526), accounts payable and accrued liabilities as at April 30, 2019 amounted to $9,127 (July 31, 2018 - $56,451). Refer to the condensed interim financial statements dated April 30, 2019 and the annual financial statements for the year ended July 31, 2018 for more information on the use of cash in operating, investing and financing activities.

Other than the above mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or future equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

DIRECTORS AND OFFICERS

The Directors and Officers of the Company for the period ended April 30, 2019 are as follows:

Rajendra Kushwah	CFO and Director
Rahul Kushwah	CEO and Director
Michelle Butler	Director

TRANSACTIONS WITH RELATED PARTIES

Key management compensation was $nil for the period ended April 30, 2019 and 2018.

During the nine-month period ended April 30, 2018 and 2017, the Company has identified its directors and certain senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were incurred during the periods ended April 30, 2019 and 2018.

The amounts due to related parties consist of the following as at April 30, 2019 and July 31, 2018:

	April 30, 2019 $	July 31, 2018 $
Included in accounts payable	-	25,474
Included in loans payable	-	21,526
Total	-	47,000

The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

ADOPTION OF SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended July 31, 2018.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company commencing August 31, 2018:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have any revenue from customers, this change had no impact on the financial statements.

IFRS 9 Financial Instruments

A finalized version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from IAS 39. This change had no impact on the financial statements.

New Standards and Interpretations Not Yet Adopted

The Company will be required to adopt the following standards and amendments issued by the IASB, as described below.

Applicable to the Company's annual period beginning on January 1, 2019:

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

The Company has not early-adopted this standard and is currently assessing the impact that the standard will have on the condensed interim financial statements.

FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, loans payable, and accounts payable. The carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

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

FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient liquidity to meet its financial obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company cautions that there are insufficient funds to meet its short-term business requirements, taking into account that there are no cash flows from operations and its holdings of cash and cash equivalents are inadequate to meet its anticipated obligations.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. As at April 30, 2019, the Company had a working capital deficiency of $83,438 (July 31, 2018 - $70,306). In order to meet its longer-term working capital, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change, and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more operating activities. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms. The Company does not have sufficient working capital to carry out all budgeted programs in fiscal 2019 and must secure additional financing during fiscal 2019 to avoid disruption in planned expenditures.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) Interest rate risk

   Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has non-material exposure at April 30, 2019 to interest rate risk through its financial instruments.

b) Foreign currency risk

   The Company's financial assets and liabilities are not exposed to foreign currency risk.

OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

ADMIRAL BAY RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED APRIL 30, 2019

Going Concern

The condensed interim financial statements for the period ended April 30, 2019 have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several material uncertainties may cast a significant doubt on the validity of this assumption. The Company has incurred losses since inception and has no current source of revenue. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given the volatile and uncertain financial markets.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. At April 30, 2019, the Company had a deficit of $50,268,922 (July 31, 2018 - $50,255,790) and a negative working capital of $83,438 (July 31, 2018 - $70,306).

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to continue as a going-concern, the net realizable values of its assets may be materially less than the amounts recorded on the statement of financial position.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue suitable business opportunities and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' 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 debt, in the future issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares monthly and annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to whether its current capital resources will be sufficient to carry its future exploration and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations. There are no changes in the Company's approach to capital management.

ADMIRAL BAY RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED APRIL 30, 2019

Outstanding Share Data

The table below presents the Company's common share data as of April 30, 2019.

	Number of common shares	Share Price	Expiry Date
Common Shares, issued and outstanding *	6,514,249	N/A	N/A
Stock options convertible into common shares	Nil	N/A	N/A
Warrants convertible into common shares	Nil	N/A	N/A
Total outstanding - fully diluted	6, 514,249	N/A	N/A

*On July 11, 2018 the Company consolidated its share capital on a one-for-ten basis. All share and per share information have been restated to reflect this consolidation for all periods presented.

RISKS AND UNCERTAINTIES

Early Stage - Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations. The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable, especially in today's volatile and uncertain financial markets. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Foreign Country and Political Risk

The Company might from time to time pursue mineral properties in unstable political or economic countries. The Company would be subject to certain risks, including currency fluctuations and possible political or economic instability in certain jurisdictions, which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes may also adversely affect the Company's business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety. The Company does not presently own/pursue foreign exploration projects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labor standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Company and its directors, officers and employees. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on a stock exchange may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of Interest

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act, British Columbia ("Corporations Act") in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Admiral Bay's general and administrative expenses and exploration and evaluation costs is provided in the Company's statement of loss and note disclosures contained in its financial statements for the period ended April 30, 2019. These statements are available on SEDAR - Site accessed through www.sedar.com.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADMIRAL BAY RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED APRIL 30, 2019

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of certain properties.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Forward Looking Information

Certain statements in this document constitute "forward-looking statements" and are based on current expectations and involve risks and uncertainties, referred to above and or in the Company's financial statements for the year ended July 31, 2018, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Examples of such forward looking statements include statements regarding financial results and expectations for 2019. This list is not exhaustive and should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein including, without limitation, under the heading "Risks and Uncertainties" and/or the financial statements and include unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. These forward-looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A. Additional information, including interim and annual financial statements, circulars and other disclosure documents, may also be examined and/or obtained through the Internet by accessing the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

SCHEDULE "D"

CHL MD&A

Please see the attached.

CULTIVAR HOLDINGS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended January 31, 2019

CULTIVAR HOLDINGS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended April 30, 2019

(Information as at September 3, 2019 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Cultivar Holdings Ltd., (the "Company") consolidated financial statements for the year ended January 31, 2019. This MD&A should be read in conjunction with the consolidated financial statements of the Company and the notes thereto for the year ended January 31, 2019. The effective date of this report is September 3, 2019. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of January 31, 2019 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

Cultivar Holdings Ltd was incorporated on December 6, 2017, pursuant to the Ontario Business Corporations Act is a holding company in the cannabis space and through its three vertically integrated businesses, is engaged in the global cannabis market and are offering products for testing technology, Cultivation & Distribution of Extracts as well as Derivative Nutraceutical Products.

On February 15, 2018, the Company acquired a 49% interest in a newly incorporated Cultivar JA Limited, (the "CJA") a corporation incorporated under the laws of Jamaica. The remaining 51% interest is owned by local business partners. CJA has already received the pre licenses (conditional licenses) from CLA Jamaica and once we setup our infrastructure after CLA inspects our facilities, the conditional license will be converted into a full license

On July 16, 2018 the Company acquired a 100% interest in a newly incorporated Cann IP Holdings Inc. (prior name 2639745 Ontario Inc.) (the "Cann") a corporation incorporated under the laws of the province of Ontario. Cann is engaged in the development of cosmetic and edible product lines, as well as investment in technology to detect an individual influence of cannabis. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann.

The Company's corporate head office is located at 77, King Street West, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The legalization of cannabis has brought upon the issue of cannabis impairment to the forefront both for law enforcement agencies along with workplace. Moreover, in several international jurisdictions with tropical climate, cannabis does grow like a "weed" and is in fact a cheaper alternative to alcohol. As such cannabis impairment is turning out to be a universal problem but there is a complete lack of tools to identify cannabis impairment.

Currently, companies are in the process of trying to develop breathalyzers for THC (Tetrahydrocannabinol), the psychoactive ingredient in cannabis. However, the biggest drawback with THC breathalyzers is the lack of correlation with impairment which has been brought up in several studies conducted to date. Furthermore, breathalyzer technology (cannabis or alcohol) is not suited for use at workplace.

Our first vertical, PredictMedix has been working towards development of Artificial Intelligence powered facial and voice recognition technology to detect cannabis along with alcohol impairment. Predict MEDiX has developed a market viable product (MVP) to detect drug impairment using proprietary Artificial Intelligence (AI) technology algorithms with a decision-making ability to identify if someone is driving under the influence of cannabis and alcohol. The AI algorithms use several unique data points with facial and voice recognition to identify impairment. Applications for detecting drug impairment can range from roadside impairment tests to workplace safety. We have filed patents to protect our technology and are currently patent pending; these are effectively with the first set of patents in the world that incorporate and utilize AI to detect impairment. Predict MEDiX is in the process of starting a large-scale study with over 3500 participants, which will further solidify our technology.

Predict MEDiX signed a JV with Tech Mahindra (subsidiary of Mahindra Group) to allow them to sell our drug impairment testing technology to their clients. Tech Mahindra was rated ranked 15th globally in Forbes digital 100; the top 100 public companies shaping the digital economy (which also included Google and Amazon). They are a provider of information technology, networking technology solutions, integrated engineering solutions and business process outsourcing to various industries. Tech Mahindra had $4.77 Billion (USD) of revenue in 2018 with a current market capitalization of over $11 Billion (USD).

Predict MEDiX has also signed a MOU with Hindalco Industries for conducting pilot studies using our proprietary drug impairment detection technology to detect impairment among their employees and also to explore business opportunities together. Hindalco Industries is one of the largest aluminium and copper manufacturing company globally and a subsidiary of the Aditya Birla Group; an Indian Multinational Conglomerate with operations in 35 countries and over $44 Billion (USD) in revenue. Hindalco is one of the largest aluminum rolling companies in the world with revenue exceeding $18 Billion (USD) in 2018.

We will license our software to two distinct markets; law enforcement agencies and a variety of industries that are concerned about impairment in the workplace such as manufacturing, mining, and aviation. Our partnerships with Tech Mahindra and Hindalco Industries Ltd will be of immense value in marketing to the workplace related markets.

Our second vertical, Cultivar Jamaica (Cultivar JA) is a grower, supplier and distributor of cannabidiols (CBD oils) and tetrahydrocannabinols (THCs) with registration in Jamaica. Cultivar's mission is to be a manufacturer and wholesaler of consumable cannabis products including cosmetics, natural health products, pharmaceuticals, veterinary health products, vaporizer oil and edibles.

Jamaica provides many unique advantages to grow and distribute cannabis. Jamaica's hot climate creates more growth cycles per year (5/6 8-week cycles). Growing conditions in Jamaica are significantly less expensive due to utilities and labor cost when compared to indoor growers in Canada. The Jamaican growing environment also provides the advantage of more unique strains than other traditional growers giving Cultivar an edge in product differentiation, quantity and price.

On May 1st, 2019, the company has received four conditional approvals for licenses in:

1. Cultivation

2. Processing

3. Transportation

4. Retail (Herb House): Pharmacy/dispensary

Conditional approvals are subject to the property meeting the Cannabis Licensing Authority's pre-license site inspection.

The Company is taking a very disciplined approach with their Jamaican operations and firstly want to prove our profitability on 2 acres on land. It is only after we can prove our profitability in 2 acres that we will expand further. Additionally, with the Jamaican government finalizing their export strategy over the next couple of months, we anticipate targeting the export market.

Our third vertical, Dazed Leaf, is a cannabis nutraceutical company which is reinventing health and wellness teas and cosmetics by offering unique health focused Cannabidiol (CBD) infused products which have been scientifically formulated and are free of chemicals and preservatives.

Dazed Leaf saw a growing demand in CBD infused products coupled with a growing health and wellness trend in North America. Therefore, we sought to create scientifically proven health and wellness teas infused with CBD to be at the forefront of this new industry. Over a rigorous research and development phase Dazed Leaf has come up with five unique tea blends.

These five blends are: Total Detox, Athletic Power, Skin Glow, Immune Balance, and Passion Redefined. Each of these teas has an unique herbal blend which, once combined with the CBD, creates very powerful effects to promote health and wellness. An initial survey saw massive customer demand and excitement over the possibility of this new and innovative product.

Vivir Cosmetics is part of Dazed Leaf CBD infused product portfolio. CBD infused cosmetics has many benefits including reduced inflammation, anti-aging, moisturizing and efficacy in treating skin disorders. Currently, we are working on three product lines including a face mask, serum and moisturizer.

Letter of Intent

On December 12, 2018, the Company entered into a non-binding letter of intent with Admiral Bay Resources Inc. ("Admiral") with respect to a reverse take-over transaction which would ultimately result in the Company's common shares being listed on the Canadian Securities Exchange.

Directors and Management

The Company's current leadership team includes:

Sheldon Kales, CEO and Director

Eugene Anthony Ffolkes, Director

Rakesh Malhotra, CFO

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the period from December 6, 2017 (date of incorporation) to January 31, 2019.

	From December 6, 2017 to January 31, 2019
Revenues	-
Total operating expenses	(364,141)
Net loss and comprehensive loss for the period	(364,141)
Loss per share	
Loss per common share:	
Basic and diluted	(0. 01)
Weighted average number of common shares outstanding:	
Basic and diluted	57,369,525

The chart below presents the summary financial information of the Company:

	As at January 31, 2019
Current assets	$1,715,621
Noncurrent assets	$14,106
Total assets	1,729,727
Current liabilities	47,113
Total long-term liabilities	-
Shareholders' equity	1,682,614
Cash dividends per common share	NIL

The chart below presents the summary financial information of the Company for the year ended January 31, 2019:

Expenses		
Administration and general		33,526
Amortization of property and equipment (Note 7)		4,395
Leasing costs (Note 10)		32,366
Legal fees		86,840
Management fees (Note 10)		59,955
Patent and trademark expenses		17,288
Research and development		49,205
Samples and testing		21,886
Share based compensation (Note 8)		5,535
Taxes and related		2,697
Travel, entertainment and related		47,518
Vehicle use expenses (Note 10)		4,750
Total operating expenses		365,961
Gain on foreign exchange		(1,820)
Loss and comprehensive loss	$	364,141

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss for the period from December 6, 2017 to January 31, 2019

Total operating expenses for the period ended January 31, 2019, were $365,961.

Significant items

Management fees consist of fees paid to senior management or to Companies owned by senior management, including (1) $56,000 paid to the CEO for services and (2) $3,955 paid to the CFO.

Share-based compensation of $5,535 consists of the fair value (Black- Scholes calculation) of the vesting of 100,000 options to consultants.

Research and development costs for $49,205 are costs incurred by outside research provider for development of Artificial Intelligence powered facial and voice recognition technology to detect cannabis along with alcohol impairment.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary has been determined to be the Canadian dollar.

Income taxes - There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

Useful life of property and equipment – Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, potential for technological obsolescence, and regulations.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2019, the Company had cash and cash equivalents of $1,558,949 and working capital of $1,668,508. During the period from December 6, 2017 to January 31, 2019 the Company received $1,979,716 from financing activities (common shares), used $402,296 in operating activities and $18,471 in investing activities.

The Company has financed its operations from inception to date through the issuance of equity shares.

The Company currently has no source of revenues; as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

Subsequent to the year, the Company raised an additional $824,000 by issuance of shares. As such, the Company believes it has enough cash to maintain itself for the next 12 months.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

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 is not subject to externally imposed capital requirements or covenants.

OUTSTANDING SHARE DATA

At January 31, 2019, the Company had 93,277,500 common shares outstanding. As of date of the MD&A, the Company has 97,439,900 common shares outstanding.

At January 31, 2019, the Company had 350,000 outstanding stock options and nil warrants.

As of date of this MD&A, the Company had 350,000 outstanding stock options and 1,648,000 warrants outstanding.

Information with respect to outstanding common shares, stock options and warrants as at January 31, 2019 and the date of the MD&A are as follows:

	Date of MD&A	**January 31, 2019**
Common shares	97,439,900	93,277,500
Stock options	350,000	350,000
Warrants	1,648,000	-
Fully diluted shares outstanding	**99,437,900**	**93,627,500**

a) **Share issuances during the period ended January 31, 2019:**

- The Company issued 30,000,000 common shares, as founders' shares, for $30.
- The Company issued 29,800,000 common shares in a share exchange agreement with Cann, valued at $30 (Note 4).
- The Company issued 24,995,000 common shares at $0.05 per share in private placements and raised $1,249,750. The Company issued 275,000 common shares as finders shares.
- The Company issued 8,207,500 common shares at $0.10 per share in private placements and raised $820,750.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $29,340.

b) **Stock Options during the period ended January 31, 2019:**

In October 2018, the Company granted options to a consultant to acquire a total of 250,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 75,000 immediately, and balance 175,000 on completion of milestones, with an expiry term of two years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		2.26%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		100%
Expected life		2 years
Stock-based compensation cost expensed during the period	$	3,973
Unvested stock-based compensation expense	$	9,272

In November 2018, the Company granted options to a consultant to acquire a total of 100,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 25,000 immediately, and 25,000 each on April 1, 2019, September 1, 2019 and March 1, 2020 with an expiry term of three years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		2.30%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		100%
Expected life		3 years
Stock-based compensation cost expensed during the period	$	1,562
Unvested stock-based compensation expense	$	4,686

As of January 31, 2019, there was $13,958 of unvested stock-based compensation expense.

As at January 31, 2019, the Company had the following share purchase options outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Life (Years)	Expiry Date
250,000	75,000	$0.10	1.73	October 25, 2020
100,000	25,000	$0.10	2.77	November 8, 2021
350,000	100,000	$0.10	2.03	

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Category**	**Measurement**
Cash	FVTPL	Fair value
Loans and advances	Loans and receivables	Amortized cost
Accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

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 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at January 31, 2019, the Company had sufficient cash of $1,558,949 to settle current liabilities of $47,113.

Market Risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are prepaid expenses held by a Director in US Dollars in a

Jamaican bank account as well as operating expenses incurred by CJA in US Dollars and Jamaican Dollars. As a result, the Company is exposed to foreign exchange rate risk with respects to the US Dollar and the Jamaican Dollar. The Company has not entered into any foreign exchange contracts to hedge this risk.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

				January 31, 2019
Management fees to the CEO	$	56,000		
Management fees to the CFO	$	3,955		
Total Management fees			$	59,955
Vehicle expense to the CEO				4,750
Leasing costs to the CEO				14,250
			$	78,955

As of January 31, 2019, there was $17,113 due to the CEO included in accrued liabilities.

BOARD PURPOSE AND FUNCTION

The directors and management of the parent company have experience operating in Canada and the United States and taking projects through to various stages of development.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of two members.

PROPOSED TRANSACTIONS

The Company is continuing work to complete the RTO transaction with Admiral Bay Resources Inc.

COMMITMENTS AND CONTINGENCIES

Effective July 1, 2018, the Company signed a two- year contract with a corporation owned and controlled by the CEO to pay monthly compensation of $8,000 for CEO services. In addition, the Company is obligated to pay monthly rent for $1,500 and an additional $500 for the use of a personal vehicle.

The Company's operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could burden the Company's financial resources, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial accounting and reporting.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the cannabis business.

<u>Management</u>

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations.

Uninsured Hazards

The Company currently carries no insurance coverage. The potential costs that could be associated with any liabilities not covered by insurance or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors and Officers of the Company also serve as Directors and officers of other companies involved in development and production. Consequently, there exists the possibility that such Directors or Officers may be in a position of conflict of interest. Any decision made by such Directors or Officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its activities, construct facilities and commence operations. of any of their properties. In addition, if the Company proceeds to production on any property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, safety, toxic substances, environmental protection and other matters. Cannabis cultivation and extraction are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the cannabis industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate cannabis properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

General Venture Company Risks

The common shares must be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

Uncertainty of Revenue Growth

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

Marketing and Distribution Capabilities

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Rapid Technological Development

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable. Regardless of the Industry as a whole, the less lethal sector moves somewhat slower in the adaptation and integration of new products.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

Competition

The Company's industry is competitive and composed of many foreign companies. The Company expects to experience competition from competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Intellectual Property

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes. Although the Company considers certain of its product designs as well as manufacturing processes involving certain of its products to be proprietary, patents or copyrights do not protect all design and manufacturing processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

The Company's short-term list of objectives is as follows:

- The Company intends to work closely with Admiral Bay Resources Inc. to complete the proposed RTO transaction

SEGMENT INFORMATION

The Company is a holding company whose subsidiary in Jamaica is in the early stage marijuana services and products, and another subsidiary in Canada is in the early development of CBD product portfolio, as well as development of artificial intelligence powered technology to identify if someone is under the influence of cannabis and to predict substance addiction.

There are no revenues during the year. All assets are located in Canada except for property and equipment for $14,106 and prepaid expenses for $26,672 which are located in Jamaica.

SUBSEQUENT EVENTS

a) On March 18, 2019, the Company executed a teaming agreement with Tech Mahindra Limited ("TechM") incorporated under the laws of India with the desire to act as a team for the purpose of preparing and submitting a proposal of projects pertaining to detection of cannabis and alcohol impairment to customers.

b) On March 19, 2019, the Company executed an agreement with Hindalco Industries Limited ("Hindalco"), a Company incorporated under the laws of India. Both parties intend to establish an ongoing co-operative business relationship in the field of addressing impairment related to drugs and alcohol in the workplace.

c) On May 1, 2019, the Company issued 550,000 common shares to a director for services and 250,000 common shares to a consultant for services.

d) On August 12, 2019, the Company closed a private placement of 3,296,000 units at $0.25 per unit for a consideration of $824,000. Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Company paid finders fees for $49,320 in cash and issued 66,400 common shares at $0.25 per share.

CULTIVAR HOLDINGS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended July 31, 2019

CULTIVAR HOLDINGS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three and Six Months Ended July 31, 2019

(Information as at September 30, 2019 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Cultivar Holdings Ltd., (the "Company") consolidated financial statements for the three and six months ended July 31, 2019. This MD&A should be read in conjunction with the consolidated financial statements of the Company and the notes thereto for the year ended January 31, 2019 and the interim condensed financial statements for the three and six months ended July 31, 2019. The effective date of this report is September 30, 2019. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of July 31, 2019 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

Cultivar Holdings Ltd was incorporated on December 6, 2017, pursuant to the Ontario Business Corporations Act is a holding company in the cannabis space and through its three vertically integrated businesses, is engaged in the global cannabis market and are offering products for testing technology, Cultivation & Distribution of Extracts as well as Derivative Nutraceutical Products.

On February 15, 2018, the Company acquired a 49% interest in a newly incorporated Cultivar JA Limited, (the "CJA") a corporation incorporated under the laws of Jamaica. The remaining 51% interest is owned by local business partners. CJA has already received the pre licenses (conditional licenses) from CLA Jamaica and once we setup our infrastructure after CLA inspects our facilities, the conditional license will be converted into a full license

On July 16, 2018 the Company acquired a 100% interest in a newly incorporated Cann IP Holdings Inc. (prior name 2639745 Ontario Inc.) (the "Cann") a corporation incorporated under the laws of the province of Ontario. Cann is engaged in the development of cosmetic and edible product lines, as well as investment in technology to detect an individual influence of cannabis. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann.

The Company's corporate head office is located at 77, King Street West, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The legalization of cannabis has brought upon the issue of cannabis impairment to the forefront both for law enforcement agencies along with workplace. Moreover, in several international jurisdictions with tropical climate, cannabis does grow like a "weed" and is in fact a cheaper alternative to alcohol. As such cannabis impairment is turning out to be a universal problem but there is a complete lack of tools to identify cannabis impairment.

Currently, companies are in the process of trying to develop breathalyzers for THC (Tetrahydrocannabinol), the psychoactive ingredient in cannabis. However, the biggest drawback with THC breathalyzers is the lack of correlation with impairment which has been brought up in several studies conducted to date. Furthermore, breathalyzer technology (cannabis or alcohol) is not suited for use at workplace.

Our first vertical, PredictMedix has been working towards development of Artificial Intelligence powered facial and voice recognition technology to detect cannabis along with alcohol impairment. Predict MEDiX has developed a market viable product (MVP) to detect drug impairment using proprietary Artificial Intelligence (AI) technology algorithms with a decision-making ability to identify if someone is driving under the influence of cannabis and alcohol. The AI algorithms use several unique data points with facial and voice recognition to identify impairment. Applications for detecting drug impairment can range from roadside impairment tests to workplace safety. We have filed patents to protect our technology and are currently patent pending; these are effectively with the first set of patents in the world that incorporate and utilize AI to detect impairment. Predict MEDiX is in the process of starting a large-scale study with over 3500 participants, which will further solidify our technology.

Predict MEDiX signed a JV with Tech Mahindra (subsidiary of Mahindra Group) to allow them to sell our drug impairment testing technology to their clients. Tech Mahindra was rated ranked 15th globally in Forbes digital 100; the top 100 public companies shaping the digital economy (which also included Google and Amazon). They are a provider of information technology, networking technology solutions, integrated engineering solutions and business process outsourcing to various industries. Tech Mahindra had $4.77 Billion (USD) of revenue in 2018 with a current market capitalization of over $11 Billion (USD).

Predict MEDiX has also signed a MOU with Hindalco Industries for conducting pilot studies using our proprietary drug impairment detection technology to detect impairment among their employees and also to explore business opportunities together. Hindalco Industries is one of the largest aluminium and copper manufacturing company globally and a subsidiary of the Aditya Birla Group; an Indian Multinational Conglomerate with operations in 35 countries and over $44 Billion (USD) in revenue. Hindalco is one of the largest aluminum rolling companies in the world with revenue exceeding $18 Billion (USD) in 2018.

We will license our software to two distinct markets; law enforcement agencies and a variety of industries that are concerned about impairment in the workplace such as manufacturing, mining, and aviation. Our partnerships with Tech Mahindra and Hindalco Industries Ltd will be of immense value in marketing to the workplace related markets.

Our second vertical, Cultivar Jamaica (Cultivar JA) is a grower, supplier and distributor of cannabidiols (CBD oils) and tetrahydrocannabinols (THCs) with registration in Jamaica. Cultivar's mission is to be a manufacturer and wholesaler of consumable cannabis products including cosmetics, natural health products, pharmaceuticals, veterinary health products, vaporizer oil and edibles.

Jamaica provides many unique advantages to grow and distribute cannabis. Jamaica's hot climate creates more growth cycles per year (5/6 8-week cycles). Growing conditions in Jamaica are significantly less expensive due to utilities and labor cost when compared to indoor growers in Canada. The Jamaican growing environment also provides the advantage of more unique strains than other traditional growers giving Cultivar an edge in product differentiation, quantity and price.

On May 1st, 2019, the company has received four conditional approvals for licenses in:

1. Cultivation

2. Processing

3. Transportation

4. Retail (Herb House): Pharmacy/dispensary

Conditional approvals are subject to the property meeting the Cannabis Licensing Authority's pre-license site inspection.

The Company is taking a very disciplined approach with their Jamaican operations and firstly want to prove our profitability on 2 acres on land. It is only after we can prove our profitability in 2 acres that we will expand further. Additionally, with the Jamaican government finalizing their export strategy over the next couple of months, we anticipate targeting the export market.

Our third vertical, Dazed Leaf, is a cannabis nutraceutical company which is reinventing health and wellness teas and cosmetics by offering unique health focused Cannabidiol (CBD) infused products which have been scientifically formulated and are free of chemicals and preservatives.

Dazed Leaf saw a growing demand in CBD infused products coupled with a growing health and wellness trend in North America. Therefore, we sought to create scientifically proven health and wellness teas infused with CBD to be at the forefront of this new industry. Over a rigorous research and development phase Dazed Leaf has come up with five unique tea blends.

These five blends are: Total Detox, Athletic Power, Skin Glow, Immune Balance, and Passion Redefined. Each of these teas has an unique herbal blend which, once combined with the CBD, creates very powerful effects to promote health and wellness. An initial survey saw massive customer demand and excitement over the possibility of this new and innovative product.

Vivir Cosmetics is part of Dazed Leaf CBD infused product portfolio. CBD infused cosmetics has many benefits including reduced inflammation, anti-aging, moisturizing and efficacy in treating skin disorders. Currently, we are working on three product lines including a face mask, serum and moisturizer.

Merger transaction

Parties to the Transaction: Cultivar Holdings Inc. (the "Corporation"), a public company existing under the laws of British Columbia, Cultivar Holdings Ltd. ("Company"), and 2693980 Ontario Inc. ("Admiral Sub"), a private company incorporated under the laws of Ontario.

Description of the Transaction: Effective September 23, 2019, the Corporation completed the previously announced acquisition of all of the issued and outstanding shares of the Company by way of a three-cornered amalgamation, pursuant to which the Admiral Sub amalgamated with the Company (the "Transaction"). Pursuant to the Transaction, each registered shareholder of the Company (a "Company Shareholder") received one (1) common share in the capital of the Corporation for each Company common share held (each a "Company Share"), resulting in the issuance of an aggregate of 97,439,900 common shares of the Corporation to Company Shareholders. As part of the Transaction, warrants of Company were replaced with common share purchase warrants of the Corporation. In addition, 500,000 Company Shares were set aside to be issued to members of Company's management team upon the final approval of Jamaica's Cannabis Licensing Authority for the licences involved in the cultivation, processing, retail and transportation of cannabis. At the time of closing, Company also had outstanding warrants exercisable into an aggregate of 1,648,000 Company Shares at a price of $0.50 per share until August 12, 2021.

The Corporation also changed its name from "Admiral Bay Resources Inc." to "Cultivar Holdings Inc." Following completion of the Transaction, the directors and officers of the Corporation are as follows:

Sheldon Kales (Director and Chief Executive Officer),
Dr. Rahul Kushwah (Director and Chief Operating Officer),
Rakesh Malhotra (Chief Financial Officer),
Tom Sipos (Director),
Ajit Kumar (Director).

SELECTED FINANCIAL INFORMATION

The following table contains selected consolidated financial information of the Company for the three months ended July 31, 2019 and 2018, and the six months ended July 31, 2019 and the period from incorporation on December 6, 2017 to July 31, 2018.

	3 months ended July 31, 2019 *$*	*3 months ended July 31, 2018* *$*	*6 months ended July 31, 2019* *$*	*Period from December 6, 2017 to July 31, 2018* *$*
Total expenses	(166,197)	(41,181)	(305,041)	(116,639)
Net loss and comprehensive loss	(166,197)	(41,181)	(305,041)	(116,639)
Loss per common share – basic and diluted	(0.002)	(0.001)	(0.003)	(0.004)
Weighted average number of common shares outstanding-	94,077,500	39,145,000	93,684,130	30,790,567

The chart below presents the summary financial information of the Company:

	As at July 31, 2019 ($)	*As at January 31, 2019 ($)*
Current assets	1,958,471	1,715,621
Non-current assets	29,588	14,106
Total assets	1,988,059	1,729,727
Current liabilities	37,517	47,113
Total long-term liabilities	10,476	-
Shareholders' equity	1,940,066	1,682,614
Cash dividends per common share	-	-

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss

Total expenses for the three months ended July 31, 2019, were $166,197 (July 31, 2018 – $41,181) and for the six months ended July 31, 2019 were $305,041 (July 31, 2018 – $116,639).

Significant variances

Operations in the prior period ended July 31, 2018 were in the very early start up phase of the Company with little activity beyond recognizing management efforts brought into the Company. Therefore, comparisons to the prior year period may not have sizable value.

Management fees for the three months ended July 31, 2019 consist of fees paid to senior management or to Companies owned by senior management, and shares issued as compensation to the Company's director including (1) $24,000 paid to the CEO for services, (2) $18,000 paid to a director for services and (3) 550,000 shares valued at $55,000 given as compensation for services provided to a director for services.

Management fees for the six months ended July 31, 2019 consist of fees paid to senior management or to Companies owned by senior management, and shares issued as compensation to the Company's director including (1) $48,000 paid to the CEO for services, (2) $18,000 paid to a director for services, (3) 550,000 shares valued at $55,000 given as compensation for services provided to a director for services and (4) $5,085 paid to the CFO for services.

Share-based compensation of $3,549 (July 31, 2018: $nil) for the six months ended July 31, 2019, consists of the fair value (Black- Scholes calculation) of the vesting of options to consultants.

Research and development costs for $73,733 for the six months ended July 31, 2019 (prior period: $nil) are costs incurred by outside research provider for development of Artificial Intelligence powered facial and voice recognition technology to detect cannabis along with alcohol impairment.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the interim condensed consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these interim condensed consolidated financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary has been determined to be the Canadian dollar.

Income taxes - There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

Useful life of property and equipment – Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, potential for technological obsolescence, and regulations.

New standards adopted

(a) Leases and right-of-use assets

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

At February 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

The Company adopted this standard and the impact on the Company's unaudited condensed interim consolidated financial statements are disclosed in note 15 and 16 to the interim condensed consolidated financial statements for period ended July 31, 2019.

(b) Uncertainty over Income Tax Treatments: On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company adopted this standard at February 1, 2019 and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

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

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2019, the Company had cash of $1,717,105 (January 31, 2019: $1,558,949) and working capital of $1,920,954 (January 31, 2019: $1,668,508).

During the six-month period ended July 31, 2019, the Company received $478,944 as cash for share subscriptions and expensed $46,125 as deferred costs for the merger transaction, resulting in cash provided from financing activities for $432,819, used $270,517 in operating activities and $4,146 in investing activities.

During the period from December 6, 2017 (incorporation) to July 31, 2018, the Company received $443,530 from issuance of common shares from financing activities, used $151,150 in operating activities and $18,471 in investing activities.

The Company has financed its operations from inception to date through the issuance of equity shares.

The Company currently has no source of revenues; as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

On August 12, 2019, the Company closed a private placement of 3,296,000 units at $0.25 per unit for a consideration of $824,000, of which $478,944 was received during the period ended July 31, 2019 (Note 14). Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Company paid finder's fees of $49,320 in cash and issued 66,400 common shares at $0.25 per share.

As such, the Company believes it has enough cash to maintain itself for the next 12 months.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

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 is not subject to externally imposed capital requirements or covenants.

OUTSTANDING SHARE DATA

At July 31, 2019, the Company had 94,077,500 common shares outstanding.

At July 31, 2019, the Company had 350,000 outstanding stock options and nil warrants.

a) Share issuances during the period ended July 31, 2019:

The Company issued 800,000 common shares at $0.10 for services. This includes 550,000 common shares issued to a director valued at $55,000.

b) Stock Options during the period ended July 31, 2019:

a) In October 2018, the Company granted options to a consultant to acquire a total of 250,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 75,000 immediately, 37,500 at the date of engineering milestone (vested during the period ended July 31, 2019) and balance 137,500 on completion of additional milestones, including 75,000 on model development and 62,500 on project handover, with an expiry term of two years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		2.26%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		100%
Expected life		2 years
Unvested stock-based compensation expense as of January 31, 2019	$	9,272

During the 6-month period ended July 31, 2019, the Company expensed $1,987 relating to the vesting of 37,500 options, resulting in unvested stock- based compensation expense of $7,285 as of July 31, 2019.

b) In November 2018, the Company granted options to a consultant to acquire a total of 100,000 common shares. These options were issued at an exercise price of $0.10 per share and vested 25,000 immediately, and 25,000 each on April 1, 2019, September 1, 2019 and March 1, 2020 with an expiry term of three years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		2.30%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		100%
Expected life		3 years
Unvested stock-based compensation expense as of January 31, 2019	$	4,686

During the 6-month period ended July 31, 2019, the Company expensed $1,562 relating to the vesting of 25,000 options, resulting in unvested stock- based compensation expense of $3,124 as of July 31, 2019.

As of July 31, 2019, there was $10,409 (January 31, 2019: $13,958) of unvested stock-based compensation expense.

No options were issued during the period from incorporation on December 7, 2017 to July 31, 2018, and hence no stock-based compensation was incurred during that period.

As at July 31, 2019, the Company had the following share purchase options outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Life (Years)	Expiry Date
250,000	112,500	$0.10	1.24	October 25, 2020
100,000	50,000	$0.10	2.28	November 8, 2021
350,000	162,500	$0.10	1.54	

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at July 31, 2019, the Company had sufficient cash of $1,717,105 to settle current liabilities of $47,993.

Market Risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are prepaid expenses held by a Director in US Dollars in a Jamaican bank account as well as operating expenses incurred by CJA in US Dollars and Jamaican Dollars. As at July 31, 2019, the Company had net financial assets denominated in US Dollars of approximately $34,000 (January 31, 2019 – $26,700). Therefore, a 10% change in value of the US Dollar versus the Canadian Dollar would give rise to a gain or loss of approximately $3,400 (January 31, 2019 – $2,670). The Company has not entered into any foreign exchange contracts to hedge this risk.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		Six months ended July 31, 2019		Incorporation on December 6, 2017 to July 31, 2018
Management fees to the CEO	$	48,000	$	8,000
Management fees to a director	$	18,000	$	-
Management fees (issued in shares) to a director	$	55,000	$	-
Management fees to the CFO	$	5,085	$	-
Total Management fees	$	126,085	$	8,000
Vehicle expense to the CEO	$	3,000	$	1,750
Rent to the CEO included in leasing and rent costs	$	9,000	$	5,250
		138,085	$	15,000

		Three months ended July 31, 2019		Three months ended July 31, 2018
Management fees to the CEO	$	24,000	$	8,000
Management fees to a director	$	18,000	$	-
Management fees (issued in shares) to a director	$	55,000	$	-
Total Management fees	$	97,000	$	8,000
Vehicle expense to the CEO	$	1,500	$	1,750
Rent to the CEO included in leasing and rent costs	$	4,500	$	5,250
		103,000	$	15,000

As of July 31, 2019, there was $nil due to any related parties. (January 31, 2019 - $17,113 due to the CEO, included in accrued liabilities)

BOARD PURPOSE AND FUNCTION

The directors and management of the parent company have experience operating in Canada and the United States and taking projects through to various stages of development.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of two members.

PROPOSED TRANSACTIONS

On September 23, 2019, Cultivar Holdings Inc. (formerly Admiral Bay Resources Inc.) ("Corporation"), closed its previously announced transaction (the "Transaction") with Cultivar Holdings Ltd. ("Company"). The Transaction consisted of the acquisition by the Corporation of all of the issued and outstanding securities in the capital of Company by way of a three-cornered amalgamation, pursuant to which a wholly owned subsidiary of the Corporation amalgamated with the Company in a reverse merger transaction.

Pursuant to the Transaction, each Compant shareholder received one (1) common share in the capital of the Corporation for each Company common share held, resulting in the issuance of an aggregate of 97,439,900 common shares of the Corporation to shareholders of Company. As part of the Transaction, warrants of Company were replaced with common share purchase warrants of the Corporation.

Following the completion of the Transaction (on a post-acquisition basis), the Corporation has a total of 103,954,149 common shares outstanding, as well as common share purchase warrants exercisable to purchase up to 1,648,000 common shares at an exercise price of $0.50 per share.

The Corporation also changed its name from "Admiral Bay Resources Inc." to "Cultivar Holdings Inc."

COMMITMENTS AND CONTINGENCIES

Effective July 1, 2018, the Company signed a two- year contract with a corporation owned and controlled by the CEO to pay monthly compensation of $8,000 for CEO services. In addition, the Company is obligated to pay monthly rent for $1,500 and an additional $500 for the use of a personal vehicle.

The Company's operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could burden the Company's financial resources, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial accounting and reporting.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the cannabis business.

<u>Management</u>

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations.

Uninsured Hazards

The Company currently carries no insurance coverage. The potential costs that could be associated with any liabilities not covered by insurance or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors and Officers of the Company also serve as Directors and officers of other companies involved in development and production. Consequently, there exists the possibility that such Directors or Officers may be in a position of conflict of interest. Any decision made by such Directors or Officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its activities, construct facilities and commence operations. of any of their properties. In addition, if the Company proceeds to production on any property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, safety, toxic substances, environmental protection and other matters. Cannabis cultivation and extraction are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the cannabis industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate cannabis properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

General Venture Company Risks

The common shares must be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

Uncertainty of Revenue Growth

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

Marketing and Distribution Capabilities

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Rapid Technological Development

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable. Regardless of the Industry as a whole, the less lethal sector moves somewhat slower in the adaptation and integration of new products.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

Competition

The Company's industry is competitive and composed of many foreign companies. The Company expects to experience competition from competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Intellectual Property

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes. Although the Company considers certain of its product designs as well as manufacturing processes involving certain of its products to be proprietary, patents or copyrights do not protect all design and manufacturing processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

SEGMENT INFORMATION

The Company is a holding company whose subsidiary in Jamaica is in the early stage marijuana services and products, and another subsidiary in Canada is in the early development of a CBD product portfolio, as well as development of artificial intelligence powered technology to identify if someone is under the influence of cannabis and to predict substance addiction.

There are no revenues during the periods presented. All assets are located in Canada except for property and equipment for $11,300 (January 31, 2019 - $14,106), right of use asset for $18,288 (January 31, 2019 - $Nil) and prepaid expenses for $34,241 (January 31, 2019 - $26,672) which are located in Jamaica.

SCHEDULE "E"

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

Please see the attached.

CULTIVAR HOLDINGS INC.
Unaudited Pro Forma Condensed Statement of Financial Position
July 31, 2019
(In CAD Dollars)

	Historical		Pro Forma		
	CULTIVAR (as at July 31, 2019)	**Admiral (as at April 30, 2019)**	**Adjustments**	**Notes**	**Combined**
Assets					
Current assets:					
Cash	$ 1,717,105	$ 857	$ 345,056	a	$ 2,063,018
Sales tax receivable	-	715			715
Loans and advances	99,526	-	(99,526)	c	-
Deferred costs	107,599	-	(107,599)	d	-
Prepaid expenses	34,241	-	-		34,241
Total current assets	1,958,471	1,572	137,931		2,097,974
Non-Current assets					
Property and equipment	11,300	-	-		11,300
Right-of-use asset	18,288	-	-		18,288
Total assets	1,988,059	1,572	137,931		2,127,562
Liabilities					
Current liabilities					
Accounts payable and other payable	$ -	$ 9,127	$ -		$ 9,127
Accrued liabilities	25,596	-			25,596
Loans payable	-	75,883	23,643	c	-
			(99,526)	c	-
Lease obligation	11,921	-			11,921
Total current liabilities	37,517	85,010	(75,883)		46,644
Non-current liabilities					
Lease obligation	10,476	-	-		10,476
Total liabilities	47,993	85,010	(75,883)		57,120
Stockholders' Equity					
Share Capital			700,717	a	
			1,367,992	b	
103,954,149 shares issued and outstanding	2,121,220	50,185,484	(50,185,484)		4,189,929
Share subscriptions	478,944		(478,944)	a	-
Warrants reserve			123,283	a	123,283
Share-based payment reserve	9,084				9,084
			50,268,922		
			(107,599)	d	
			(23,643)	c	
Accumulated deficit	(611,970)	(50,268,922)	(1,451,430)	b	(2,194,642)

		1,997,278	(83,438)	213,814	2,127,654
Non-controlling interest		(57,212)		-	(57,212)
Total shareholders' equity		1,940,066	(83,438)	213,814	2,070,442
Total liabilities and stockholders' equity	$	1,988,059	$ 1,572	$ 137,931	$ 2,127,562

CULTIVAR HOLDINGS INC.
Unaudited Pro Forma Condensed Statement of Financial Position
July 31, 2019

Notes:

a) On August 12, 2019, the Company closed a private placement of 3,296,000 units at $0.25 per unit for a consideration of $824,000 of which $478,944 was received during the period ended July 31, 2019. Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 1%; expected volatility of 100%; expected life of 2 years. The relative fair value of the warrants has been valued at $123,283 and common shares at $700,717 ($0.21).

b) Parties to the Transaction: Admiral Bay Resources Inc. (the "Corporation"), a public company existing under the laws of British Columbia, Cultivar Holdings Ltd. ("Company"), and 2693980 Ontario Inc. ("Admiral Sub"), a private company incorporated under the laws of Ontario.

   Description of the Transaction: Effective September 23, 2019, the Corporation completed the acquisition of all of the issued and outstanding shares of the Company by way of a three-cornered amalgamation, pursuant to which the Admiral Sub amalgamated with the Company (the "Transaction"). Pursuant to the Transaction, each registered shareholder of the Company (a "Company Shareholder") received one (1) common share in the capital of the Corporation for each Company common share held (each a "Company Share"), resulting in the issuance of an aggregate of 97,439,900 common shares of the Corporation to Company Shareholders resulting in a total issuance of 103,954,149 common shares. As part of the Transaction, warrants of Company were replaced with common share purchase warrants of the Corporation. In addition, 500,000 Company shares were set aside to be issued to members of Company's management team upon the final approval of Jamaica's Cannabis Licensing Authority for the licences involved in the cultivation, processing, retail and transportation of cannabis. At the time of closing, the Company also had outstanding warrants exercisable into an aggregate of 1,648,000 Company shares at a price of $0.50 per share until August 12, 2021. On completion of the transaction, the Corporation changed its name from "Admiral Bay Resources Inc." to "Cultivar Holdings Inc.".

   Under IFRS, this was considered to be a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO").

   The Company issued 6,514,249 shares to the shareholders of former Corporation valued at $0.21 per share (refer to note 1), with a total value of $1,367,992 for the acquisition.

   The fair value of the acquired assets and liabilities assumed is as follows (information based on financial statements of Admiral Bay Resources Inc. available as of April 30, 2019):

Assets acquired by the Company:		
Cash	$	857
Sales tax receivable		715
Liabilities assumed by the Company:		
Accounts payable and other liabilities		(9,127)
Loans payable		(75,883)
Net liabilities assumed		(83,438)
Fair value of issued		(1,367,992)
Loss on acquisition	$	(1,451,430)

c) Loans and advances receivable and payable have been corrected to net to nil as these are inter-company receivable between the merged entities

d) Deferred costs have been expensed on completion of the transaction.