CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CANNAROYALTY CORP.
D/B/A ORIGIN HOUSE
(Unaudited)

For the three months ended March 31, 2019 and March 31, 2018

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Financial Statements

In accordance with National Instrument 51-102, the Company discloses that its external auditors have not reviewed the accompanying condensed interim consolidated financial statements.

TABLE OF CONTENTS

Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statements of Financial Position 3

Condensed Interim Consolidated Statements of Net Loss 4

Condensed Interim Consolidated Statements of Comprehensive Loss 5

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity 6

Condensed Interim Consolidated Statements of Cash Flows 7

Notes to the Condensed Interim Consolidated Financial Statements 8

ORIGIN HOUSE

(Formally CannaRoyalty Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note		**March 31, 2019**		December 31, 2018
ASSETS					
Current					
Cash and cash equivalents		**$**	**39,252,543**	$	69,206,193
Amounts receivable	5		**4,954,184**		3,110,989
Inventory	6		**13,600,581**		8,036,522
Biological assets	7		**760,711**		270,528
Prepaid and other assets	8		**4,423,040**		2,590,576
Deferred financing charges - current	20		**825,239**		824,735
Advances and loans receivable - current	9		**4,841,331**		1,929,684
			68,657,629		85,969,227
Non-Current					
Derivative assets	9		**230,040**		-
Deferred financing charges	20		**325,375**		529,238
Advances and loans receivable	9		**4,301,098**		-
Right of use asset	13		**17,470,351**		-
Interest in equity accounted investees	10		**1,486,063**		1,902,575
Investments	11		**18,759,206**		18,557,130
Royalty investments	12		**336,025**		1,281,826
Property, plant and equipment	14		**16,600,797**		13,804,114
Intangible assets	15		**57,124,499**		51,135,189
Goodwill	15		**84,121,242**		57,518,746
			200,754,696		144,728,818
Total Assets		**$**	**269,412,325**	$	230,698,045
LIABILITIES					
Current					
Amounts payable and accrued liabilities	16	**$**	**13,532,698**	$	11,015,285
Purchase consideration payable - current	4		**692,553**		683,167
Other liabilities	17		**17,624,548**		13,649,360
Lease obligation - current	13		**1,739,791**		-
Convertible debt - current	18		**136,637**		4,214
Current tax liability			**507,199**		806,429
			34,233,426		26,158,455
Non-Current					
Purchase consideration payable - non current	4		**5,110,973**		1,184,482
Lease obligation - non current	13		**14,687,941**		-
Convertible debt - non current	18		**-**		16,026,098
Deferred tax liability			**15,791,246**		14,356,878
Total Liabilities			**69,823,586**		57,725,913
Commitments and Contingencies	21				
SHAREHOLDERS' EQUITY					
Share capital	23	**$**	**202,011,284**	$	154,235,588
Share subscription and contingent shares	23		**35,121,444**		33,809,266
Warrants reserve	23		**21,790**		21,790
Contributed surplus			**12,253,573**		14,378,873
Accumulated other comprehensive income			**2,638,482**		5,686,087
Accumulated deficit			**(52,479,370)**		(35,236,253)
Equity attributable to owners of the parent			**199,567,203**		172,895,351
Non-controlling interest	23		**21,536**		76,781
Total Equity			**199,588,739**		172,972,132
Total Liabilities & Shareholders' Equity		**$**	**269,412,325**	$	230,698,045

Subsequent events (Notes 30, 31)

See accompanying notes to the condensed interim consolidated financial statements.

On behalf of the Board

/s/"Marc Lustig" Director

/s/"Dan O'Neill" Director

ORIGIN HOUSE

(Formally CannaRoyalty Corp.)

Condensed Interim Consolidated Statements of Net Loss

(Expressed in Canadian Dollars)

	Note	Three months ended March 31, 2019	March 31, 2018
Revenue	27	**$ 11,161,161**	$ 643,437
Cost of sales	6, 27	**(9,644,386)**	(673,067)
Gross margin, excluding fair value items		**1,516,775**	(29,630)
Realized fair value amounts of inventory sold	7	**(971,143)**	-
Unrealized fair value gain on biological assets	7	**1,107,095**	-
Gross margin		**1,652,727**	(29,630)
Operating expenses			
Sales and marketing		**4,444,982**	478,516
Research and product development		**786,225**	75,965
General and administrative	28	**11,356,889**	3,750,426
Amortization of brands and technologies	15	**1,642,338**	175,107
Loss from operations		**(16,577,707)**	(4,509,644)
Other income (expenses)			
Gain on investments	11	**174,773**	-
Gain on disposal of royalty investments	12	**383,869**	-
Changes in fair value of investments	11	**(119,196)**	342,106
Impairment of convertible notes receivable		**-**	(375,472)
Fair value gain on warrants	9	**2,399**	-
(Loss) gain from equity accounted investees, net of tax	10	**(223,972)**	453,804
Post combination remuneration	4	**(177,253)**	-
Foreign exchange loss		**(72,347)**	(76,030)
Interest expense	19	**(1,176,260)**	(319,990)
Net loss before tax		**(17,785,694)**	(4,485,226)
Current tax recovery (expense)		**90,441**	(434)
Deferred tax recovery (expense)		**260,973**	(168,813)
Net loss for the period		**$ (17,434,280)**	$ (4,654,473)
Total net loss for the period attributable to:			
Owners of the Company		**(17,136,306)**	(4,629,003)
Attributable to non-controlling interest	23	**(297,974)**	(25,470)
		$ (17,434,280)	$ (4,654,473)
Net loss per common share - basic & diluted	25	**$ (0.25)**	$ (0.10)
Weighted average number of common shares outstanding - basic & diluted	25	**68,579,886**	45,075,695

See accompanying notes to the condensed interim consolidated financial statements.

ORIGIN HOUSE

(Formally CannaRoyalty Corp.)

Condensed Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Three months ended	
	March 31, 2019	March 31, 2018
Net loss for the period	**$ (17,434,280)**	$ (4,654,473)
Other comprehensive loss for the period		
Foreign currency translation differences net of tax	**(3,047,605)**	545,605
Total comprehensive loss for the period	**$ (20,481,885)**	$ (4,108,868)
Total comprehensive loss for the period attributable to:		
Owners of the Company	**(20,183,911)**	(4,083,398)
Attributable to non-controlling interest	**(297,974)**	(25,470)
	$ (20,481,885)	$ (4,108,868)

See accompanying notes to the condensed interim consolidated financial statements.

ORIGIN HOUSE

(Formally CannaRoyalty Corp.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

2019	Number of common shares (note 23)	Number of compressed shares (note 23)	Share capital (note 23)	Share subcriptions and contingent shares (note 23)	Warrants Reserve (note 23)	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Non Controlling Interest	Total Shareholders' Equity
Balance at December 31, 2018	60,263,768	56,089	$ 154,235,588	$ 33,809,266	$ 21,790	$ 14,378,873	$ 5,686,087	$ (35,236,253)	$ 76,781	**$ 172,972,132**
Net loss for the period	-	-	-	-	-	-	-	(17,136,306)	(297,974)	**(17,434,280)**
Change in foreign currency translation adjustment	-	-	-	-	-	-	(3,047,605)	-	-	**(3,047,605)**
Shares issued for exercise of restricted share units (Note 24)	377,919	-	811,609	-	-	(811,609)	-	-	-	**-**
Origin House share unit and share option plan (Note 24)	-	-	-	-	-	429,591	-	-	-	**429,591**
Trichome equity incentive plan	-	-	-	-	-	-	-	-	242,729	**242,729**
Contingent shares issued on the reaching of Kaya and Alta performance milestones (Note 23(2))	21,722	-	82,326	(82,326)	-	-	-	-	-	**-**
Shares issued for exercise of warrants (Notes 23(3))	3,450	-	18,975	(18,975)	-	-	-	-	-	**-**
Shares issued for 8% convertible debt converted to equity (Note 23(6))	3,034,080	-	18,398,175	-	-	(1,743,282)	-	-	-	**16,654,893**
Shares re-purchased under normal course issuer bid (Note 23(4))	(22,700)	-	(38,311)	-	-	-	-	(106,811)	-	**(145,122)**
Common shares issued for the acquisition of 180 Smoke (Note 4(iii))	3,081,397	-	28,502,922	-	-	-	-	-	-	**28,502,922**
Conversion of Class A compressed Shares into commons shares (Note 23(1))	82,000	(820)	-	-	-	-	-	-	-	**-**
Contingent consideration on the acquisition of 180 Smoke (Note 4 (iv) and 4(v))	-	-	-	1,413,479	-	-	-	-	-	**1,413,479**
Balance at March 31, 2019	**66,841,636**	**55,269**	**$ 202,011,284**	**$ 35,121,444**	**$ 21,790**	**$ 12,253,573**	**$ 2,638,482**	**$ (52,479,370)**	**$ 21,536**	**$ 199,588,739**

See accompanying notes to the condensed interim consolidated financial statements.

ORIGIN HOUSE

(Formally CannaRoyalty Corp.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

2018	Number of common shares	Number of compressed shares	Share capital	Share subcriptions and contingent shares	Warrants Reserve	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Non Controlling Interest	Total Shareholders' Equity
Balance at December 31, 2017	43,898,445	-	50,007,891	-	4,149,703	9,902,292	(1,032,719)	(22,381,817)	(177,006)	40,468,344
Adoption of IFRS 9	-	-	-	-	-	-	-	(109,138)	-	(109,138)
Balance at January 1, 2018	43,898,445	-	50,007,891	-	4,149,703	9,902,292	(1,032,719)	(22,490,955)	(177,006)	40,359,206
Net loss for the period	-	-	-	-	-	-	-	(4,629,003)	(25,470)	(4,654,473)
Change in foreign currency translation adjustment	-	-	-	-	-	-	545,605	-	-	545,605
Shares issued for exercise of restricted share units	53,500		122,060	-	-	(122,060)	-	-	-	-
Stock based compensation	-	-	-	-	-	1,940,043	-	-	-	1,940,043
Shares issued in acquisitions of equity interests	1,254,816	-	4,755,753	-	-	-	-	-	-	4,755,753
Shares issued for exercise of warrants	738,993	-	3,343,393	-	(562,403)	-	-	-	-	2,780,990
Shares issued for exercise of broker warrants	50,228	-	162,309	-	(50,153)	-	-	-	-	112,156
Shares issued on exercise of warrants by Sprott Inc.	900,000	-	2,806,200	-	(961,200)	-	-	-	-	1,845,000
Shares issued for interest on Sprott line of credit	11,646	-	36,111	-	-	-	-	-	-	36,111
Contingent shares recorded on acquisition	-	-	-	5,839,730	-	-	-	-	-	5,839,730
Capital contribution of Trichome minority shareholders	-	-	-	-	-	-	-	-	180,000	180,000
Balance at March 31, 2018	46,907,628	-	$ 61,233,717	$ 5,839,730	$ 2,575,947	$ 11,720,275	$ (487,114)	$ (27,119,958)	$ (22,476)	$ 53,740,121

ORIGIN HOUSE

(Formally CannaRoyalty Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Three months ended	
	March 31, 2019	March 31, 2018
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	**$ (17,434,280)**	$ (4,654,473)
Items not affecting cash (Note 29)	**4,224,055**	2,480,315
	(13,210,225)	(2,174,158)
Changes in non-cash items relating to operations:		
(Increase) decrease in amounts receivable	**(1,023,471)**	75,133
(Increase) decrease in inventory	**(3,240,644)**	13,401
Increase in prepaid and other assets	**(1,668,775)**	(288,276)
Increase in accounts payable and accruals	**1,828,656**	440,819
Increase in biological assets	**(357,241)**	-
(Decrease) increase in current tax liability	**(91,203)**	434
	(17,762,903)	(1,932,647)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property and equipment (Note 14)	**(2,786,734)**	(20,530)
Purchase of Intangible assets (Note 15)	**(49,727)**	-
Payments for acquisitions, net of cash received (Note 4)	**(2,015,416)**	733,321
Proceeds from the sale of investments (Note 11)	**702,937**	-
Proceeds from the sale of royalty investments (Note 12)	**109,588**	-
Royalty financing arrangements	**-**	(1,290,000)
Loans advanced to debtors including issuance costs, net of repayment (Note 9)	**(9,956,881)**	(916,360)
	(13,996,233)	(1,493,569)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	**-**	4,738,146
Repayment of loans (Note 17(1))	**(10,749)**	-
Proceeds from preferred shares issued to minority holders of Trichome	**-**	180,000
Proceeds from private placement of subscription receipts of Trichome (Note 17(3))	**3,512,742**	
Interest payments on convertible debt (Note 18)	**(106,647)**	-
Payments related to share buyback bid (Note 23(4))	**(145,122)**	-
	3,250,224	4,918,146
Effect of movement of exchange rates on cash held	**(1,444,738)**	41,896
(DECREASE) INCREASE IN CASH	**$ (29,953,650)**	1,533,826
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**69,206,193**	4,522,644
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 39,252,543**	$ 6,056,470

See accompanying notes to the condensed interim consolidated financial statements.

1. Nature of Operations

CannaRoyalty Corp. d/b/a Origin House (the "Company") is a diversified, active operator in the regulated cannabis industry with licensed cultivation, manufacturing, and distribution facilities. The Company's focus is to build and support a diversified portfolio of branded cannabis consumer products through the acquisition of licensed cannabis businesses, as well as strategic distribution, investment, and lending agreements with companies in the California cannabis industry. The Company has also expanded into Canada, and operates a retail, wholesale, and online nicotine vape business.

Origin House is a reporting issuer listed for trading on the Canadian Securities Exchange in the Province of Ontario under the trading symbol "OH". In February 2017, Origin House was listed for trading on the OTCQB markets in the U.S. under the trading symbol "ORHOF". On April 26, 2017, the Company was upgraded to the OTCQX market. Origin House was incorporated under the Ontario Business Corporations Act as "McGarry Minerals Inc." on August 19, 1985. In connection with a corporate reorganization, the Company changed its name to "Bonanza Blue Corp." ("Bonanza Blue") on August 16, 2000. The Company changed its name to "CannaRoyalty Corp." on December 5, 2016, prior to the completion of a reverse takeover transaction ("RTO") between Bonanza Blue Corp. and Cannabis Royalties and Holdings Corporation ("CRHC"). The Company changed its name on October 22, 2018 to "Origin House". The Company's head office is located at 333 Preston Street, Preston Square Tower 1, Suite 610, Ottawa, Ontario, Canada.

2. Basis of Preparation

These unaudited condensed interim consolidated financial statements ("Financial Statements") are expressed in Canadian dollars and have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). The condensed interim consolidated financial statements do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2018 and December 31, 2017, which have been prepared in accordance with IFRS. In the opinion of management, these condensed interim consolidated financial statements reflect all adjustments considered necessary for a fair presentation of the Company's financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of the results for a full year. All intercompany accounts and transactions have been eliminated.

On February 19, 2019, the Company completed the acquisition of 180 Smoke (Note 4). The results of 180 smoke between February 19, 2019 and March 31, 2019 have been included in preparing these condensed interim consolidated financial statements.

In preparing these unaudited condensed interim consolidated financial statements, Management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2018, with the exception of estimates related to leases under IFRS 16 which was implemented on January 1, 2019 (Note 3).

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on May 28, 2019.

3. Significant Accounting Policies and New Standards

The accounting policies applied in these unaudited condensed interim consolidated financial statements are the same as those applied in the Company's audited consolidated financial statements as at and for the year ended December 31, 2018, except as noted below. The revenue recognition policy has been updated as a result of the 180 Smoke acquisition in the first quarter of fiscal 2019 (Note 4).

Revenue Recognition

Retail, Online, and Wholesale Sales

Revenue from the sale of goods includes merchandise sold by 180 Smoke and its affiliates ("180 Smoke") (Note 4) to the general public and other retailers. This revenue is recognized when control of the goods passes to customers. For retail customers, control passes upon point of sale, and for wholesale and online customers, control passes upon delivery. Revenue from the sale of goods is measured at the fair value of the consideration received less an appropriate deduction for actual and expected returns, discounts, rebates, and loyalty program costs, net of sales taxes.

Customer Loyalty Programs

180 Smoke has a customer loyalty program. Loyalty reward credits issued as part of a sales transaction results in revenue being deferred until the loyalty reward is redeemed by the customer. In addition, the obligation is measured at fair value by reference to the fair value of the rewards for which they could be redeemed and based on the estimated probability of their redemption, which is measured based on monitoring historical redemption rates where applicable. Loyalty program costs are recorded as a reduction to revenue. Consideration is allocated between the loyalty program awards and the goods on which the awards were earned, based on their relative stand-alone selling prices.

Royalties and Licence Fees

Royalties and licence fee revenues from franchisees of 180 Smoke are recognized as they are earned in accordance with the substance of the relevant agreement and are measured on an accrual basis.

IFRS 16 Leases

Effective January 1, 2019, the Company adopted IFRS 16, which is based on a single lessee accounting model to determine how to recognize, measure, and present leases. A summary of the Company's structure and status of the implementation of IFRS 16 is described below.

Upon entering a lease arrangement, the Company determines whether the agreement transfers the right to control the use of an identified asset within the context of the agreement, in exchange for regular payments.

The Company has elected to use the Modified Retrospective Approach under IFRS 16. Under this approach, the Company may be required to record an opening balance adjustment for leases previously recognized under IAS 17, *Leases* ("IAS 17") and IFRIC 4, *Determining Whether an Arrangement Contains a Lease* ("IFRIC 4"). The cumulative effect of adopting IFRS 16 is being recognized in equity as an adjustment to the opening balance of retained earnings in the current period. Prior periods have not been restated. Instead of performing an impairment review of right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16. The Company has also elected to apply the practical expedient to grandfather the assessment of which transactions are leases on the date of initial application, as previously identified under IAS 17 and IFRIC 4. For those leases previously recognized as finance leases under IAS 17 and IFRIC 4, the right-of-use asset and lease liability are measured at the date of initial application at the same amount as under IAS 17 immediately before the date of initial application. Finally, on transition, the Company has elected to use the practical expedient to not include initial direct costs associated with the lease in calculating the opening right-of-use asset value.

The Company leases equipment and vehicles, as well as office, cultivation, manufacturing, distribution, and retail space in Canada and California. In adopting IFRS 16, the Company has elected to use the short-term lease recognition exemption which is applied by class of assets. The Company has also elected to use the low dollar value practical expedient, which unlike the short-term recognition exemption, is applied on an asset-by-asset basis. For those right-of-use assets which the Company has taken the election, the lease expense has been accounted for on a straight-line basis over the remaining lease term.

In using the Modified Retrospective approach, the Company has elected to record the right-of-use asset for any identified leases under IFRS 16 at the present value of their future lease payments on January 1, 2019. On initial transition the Company's incremental borrowing rate will be used as the discount rate in determining this value. The Company's incremental borrowing rate will continue to be used for any leases entered into after initial transition, unless the discount rate implicit in the lease is known, in which case it will be used to determine the present value of the future lease payments. The Company's incremental borrowing rate at the time of transition on January 1, 2019 was 17.4%. The Company has also elected to use the following practical expedients in transitioning to IFRS 16:

- Discount rates: The Company will apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Leases with a short remaining term: The Company will account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases. This practical expedient is independent of the Company's accounting policy for the short-term lease recognition exemption.

Subsequent to initial recognition, the lease liability will be measured at amortized cost using the effective interest method. The liability can be remeasured throughout the term of the lease if any of the following would cause a significant change in the present value of the future lease payments:

- change in an index or discount rate;
- change in the Company's estimate of the amount expected to be payable under a residual value guarantee;
- changes in the Company's assessment of whether it will exercise a purchase, extension or termination option.

(Unaudited - Expressed in Canadian Dollars)

The right-of-use asset will subsequently be measured at its net book value. The deemed cost of the asset will be amortized over the shorter of its expected useful life and the term of the lease on a straight-line basis.

Under the modified retrospective approach, the Company has elected to measure the right-of-use asset as if IFRS 16 had always been applied but using the Company's incremental borrowing rate on initial transition. The Company has also elected to use the initial direct costs practical expedient. Under this practical expedient the Company will exclude any initial direct costs associated with the identified leases from the calculation of the right-of-use asset and lease liability on transition.

The following table is a reconciliation between the Company's operating lease obligations at December 31, 2018, as previously disclosed in the Company's consolidated financial statements, to the lease obligation on initial transition to IFRS 16 *Leases* on January 1, 2019.

Total commitments at December 31, 2018		**$ 11,008,623**
Recognition exemptions:		
Leases of low value assets	$ -	
Lease with remaining term of less than 12 months	(276,905)	
Variable lease payments not recognized	(4,720,141)	
Other adjustment to commitment disclosures	1,009,768	
		(3,987,278)
Operating lease obligations before discounting		7,021,345
Discounted using incremental borrowing rate at January 1, 2019		(2,101,464)
Operating lease obligations		4,919,881
Operating lease obligations reasonably certain to exercise		3,671,551
Finance leases		216,040
Total lease obligations at January 1, 2019		**$ 8,807,472**

(Unaudited - Expressed in Canadian Dollars)

4. Acquisitions

Acquisition of 180 Smoke

On February 19, 2019, the Company acquired 100% of the outstanding shares of 180 Smoke. The acquired business is a retailer, wholesaler, and online seller of nicotine vape and vape-related products and accessories.

The identifiable assets acquired, and liabilities assumed of the business were recorded at their fair values on the date of the acquisition. The primary purpose of this acquisition was to expand the Company's operations into Canada.

A preliminary purchase price allocation was performed using fair values determined by the Company's best estimates and assumptions after consideration of all relevant information available. The following table summarizes purchase consideration and relevant allocations to the tangible assets, liabilities, intangible assets, and goodwill acquired:

Purchase consideration		
Cash	$	2,343,000
Settlement of pre-existing loans		2,556,000
Issued shares		28,502,922
Contingent consideration		5,335,479
Total Purchase Price	$	38,737,401
Identified tangible net assets		
Cash and cash equivalents		327,585
Amounts receivable		240,358
Prepaid expenses		132,419
Inventory		2,532,007
Other assets		266,705
Property, equipment, and software		1,257,520
Right-of-use asset		8,343,181
Amounts payable and accrued liabilities		(676,368)
Lease liabilities		(8,185,583)
Loans payable and other liabilities		(84,033)
Identified intangible items		
Brand		7,000,000
Customer relationships		1,200,000
Franchise network		1,100,000
Deferred tax liability		(2,464,500)
Goodwill		27,748,111
Total Allocated	$	38,737,401

(Unaudited - Expressed in Canadian Dollars)

Consideration Transferred

Purchase consideration was comprised of the following:

	Shares		Fair Value
Cash (i)		$	2,343,000
Settlement of pre-existing loan (ii)			2,556,000
Issued shares (iii)	3,081,397		28,502,922
Holdback shares (iv)	25,241		233,479
Contingent consideration - equity classified (v)	1,483,680		1,180,000
Contingent consideration - liability classified (v)	variable		3,922,000
Total consideration issued		**$**	**38,737,401**

(i) Acquisition consideration consisted of $0.7 million in cash paid upon close, as well as $1.6 million in shareholder loans, bonuses, and other amounts paid directly on close by the Company;

(ii) Forgiveness of principal and interest owing from the 180 Smoke Facility (Note 9);

(iii) 3,081,397 Origin House common shares issued at the acquisition date with a closing share price of $9.25;

(iv) An estimated 25,241 holdback common shares to be issued upon finalization of working capital adjustments; and

(v) Contingent consideration comprised of the following:

Equity classified

- An additional 1,483,680 common shares to be issued, conditional on the performance of the Company's publicly traded stock price, as well as the achievement of certain revenue milestones by 180 Smoke. The fair value has been determined to be $1.2 million.

Liability classified

- Up to an additional $12.5 million in common shares issued upon achievement of certain annual revenue milestones over three years, the fair value of which has been determined to be $3.7 million; and
- Up to an additional $2.5 million in common shares issued upon achievement of a Standard Processing License issued by Health Canada, the fair value of which has been determined to be $0.2 million.

The Company's contingent consideration is measured at fair value based on unobservable inputs and is considered a level 3 measurement. The fair value was primarily driven by the Company's quoted market share price at the acquisition date and expectations of the acquiree's achievement of the milestones, as well as time the value of money. Management assessed the probabilities of achieving these milestones and discounted to present value to arrive at a fair value of the contingent consideration.

Intangible Assets and Goodwill

The Company recognized the following identifiable intangible assets within the 180 Smoke acquisition:

Brand: Recorded in connection with 180 Smoke's private label e-juice brand and store banner brand.

Customer relationship: Recorded in connection with the value of 180 Smoke's retail and wholesale customers.

Franchisee network: Represents the value of existing franchisees for which 180 Smoke sells the rights to 180 Smoke-branded retail locations.

(Unaudited - Expressed in Canadian Dollars)

The Company recorded a deferred tax liability related to timing differences on intangible assets, and property and equipment, based on the corporate tax rates in 180 Smoke's tax jurisdiction.

The goodwill balance reflects the benefits of the assembled workforce, expected earnings, and future market development. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill will not be amortized and will be reviewed for impairment on an annual basis.

Acquisition Related Costs

Origin House incurred expenses of $495,559 related to the above acquisition. These costs were recorded in general and administrative expenses in the period the acquisition was recorded.

Pro Forma Disclosures

In the first quarter of fiscal 2019, the above acquisition contributed revenues of $1.6 million and a net loss of $0.4 million to Origin House's consolidated results, including the $0.2 million impact of fair value adjustments and any amortization of intangibles assumed on acquisition. If the acquisition had occurred on January 1, 2019, management estimates that Origin House's consolidated revenue would have increased by $1.9 million and the net loss would have increased by $0.3 million for the quarter ended March 31, 2019. The estimated increased loss includes an additional charge related to the acquired intangibles of $0.1 million net of deferred tax recovery. In determining these amounts, the Company assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisitions had occurred on January 1, 2019.

Acquisition of FloraCal Farms

For the period ended March 31, 2019, the Company expensed $177,253 related to post-combination renumeration.

5. Amounts Receivable

Amounts receivable		**March 31, 2019**		December 31, 2018
Trade accounts receivable	**$**	**4,590,045**	$	2,987,700
Allowance for expected credit losses		**(501,168)**		(385,106)
Interest receivable		**45,477**		-
Kaya and Alta final working capital adjustment		**477,810**		487,786
Other receivables		**342,020**		20,609
Total amounts receivable	**$**	**4,954,184**	$	3,110,989

These amounts are collectable within a short-term period and the net carrying value reasonably approximates the fair value of the receivables.

Allowance for expected credit losses

Expected credit loss allowances as at March 31, 2019 and March 31, 2018 are as follows:

Allowance for credit losses		**March 31, 2019**		March 31, 2018
Opening credit loss provision at January 1	**$**	**385,106**		137,163
Effect of foreign currency translation		**(9,858)**		(2,435)
Additional credit loss provision		**245,002**		(33,073)
Receivables written-off net of recoveries		**(119,082)**		(2,698)
Total allowance for expected credit losses	**$**	**501,168**	$	98,957

Trade receivables are derecognised when there is no reasonable expectation of recovery.

(Unaudited - Expressed in Canadian Dollars)

Aging of trade accounts receivable

The aging of receivables and expected credit losses are as follows:

March 31, 2019	**Amounts receivable days past due**					
	Current	**< 30 days**	**31 - 60**	**61 - 90**	**> 90 days**	**Total**
Expected credit loss %	1%	5%	8%	13%	39%	11%
Gross carrying amount	$ 1,525,456	$ 1,524,130	$ 415,265	$ 201,690	$ 923,504	$ 4,590,045
Lifetime expected credit loss	(12,346)	(69,341)	(33,025)	(26,988)	(359,468)	(501,168)
Net trade accounts receivable	**$ 1,513,110**	**$ 1,454,789**	**$ 382,240**	**$ 174,702**	**$ 564,036**	**$ 4,088,877**

December 31, 2018	Amounts receivable days past due					
	Current	< 30 days	31 - 60	61 - 90	> 90 days	Total
Expected credit loss %	4%	5%	4%	9%	41%	13%
Gross carrying amount	$ 1,118,185	$ 630,199	$ 358,295	$ 197,087	$ 683,934	$ 2,987,700
Lifetime expected credit loss	$ (45,048)	$ (28,488)	$ (14,108)	$ (18,622)	$ (278,840)	(385,106)
Net trade accounts receivable	$ 1,073,137	$ 601,711	$ 344,187	$ 178,465	$ 405,094	$ 2,602,594

As at March 31, 2019, no customer accounted for more than 10% of the total trade receivables (December 31, 2018 – nil).

6. Inventory

	March 31, 2019	December 31, 2018
Finished goods	**$ 12,251,332**	$ 6,886,377
Raw materials	**1,349,249**	1,150,145
Total Inventory	**$ 13,600,581**	$ 8,036,522

For the three months ended March 31, 2019, inventories of $60,737 (March 31, 2018 – nil) were written-off due to obsolescence.

During the three months ended March 31, 2019 inventory totalling $8,463,303 (March 31, 2018 - $61,988) was included in cost of sales.

(Unaudited - Expressed in Canadian Dollars)

7. Biological Assets

		March 31, 2019
Carrying amount, December 31, 2018	$	**270,528**
Changes in fair value less costs to sell due to biological transformation		**1,102,239**
Difference due to foreign exchange		**(5,533)**
Transferred to inventory upon harvest		**(606,523)**
Total Biological Assets	**$**	**760,711**

As at March 31, 2019, the fair value of biological assets was comprised of cannabis plants. Significant estimates used in determining the fair value of cannabis plants are as follows:

1) yield per plant;
2) stage of growth estimated as the percentage of costs incurred of total costs as applied to the estimated total fair value per gram (less fulfilment costs) to arrive at an in-process fair value for estimated biological assets, which have not yet been harvested;
3) percentage allocation of costs incurred for each stage of plant growth; and
4) selling price per gram less costs to sell.

Unobservable inputs	**Input values**	**Sensitivity**
Yield per plant: Obtained through historical harvest results	56 to 221 grams per plant	An increase or decrease of 5% applied to the average yield per plant would result in a change of approximately $34,300 in the valuation of biological assets at period end.
Average stage of growth: Obtained through the estimates of stage of completion	37%	An increase or decrease of 5% applied to the average stage of growth per plant would result in a change of approximately $38,100 in the valuation of biological assets at period end.

A 5% change in the selling price less costs to sell per gram would not result in a material change to the valuation of biological assets at March 31, 2019.

The Company views its biological assets as a Level 3 fair value estimate and estimates the probability of certain harvest rates. As at March 31, 2019, it is expected that the Company's biological assets will yield approximately 468,400 grams of cannabis. The Company's estimates are, by their nature, subject to change. Changes in the anticipated yield will be reflected in future changes in the fair values of biological assets.

8. Prepaid and Other Assets

		March 31, 2019		December 31, 2018
Inventory (1)	**$**	**2,335,972**	$	1,041,051
Royalty fees		**100,224**		138,753
Insurance		**858,127**		561,648
Other (2)		**1,128,717**		849,124
Total Prepaid and other assets	**$**	**4,423,040**	$	2,590,576

(Unaudited - Expressed in Canadian Dollars)

(1) Prepaid inventory is comprised of the following:

a) As at March 31, 2019, prepaid inventory of $703,311 (December 31, 2018 - $559,484) relates to an agreement with Calith Creations Inc., SCU Inc., and Monterey Bay Alternative Medicine Health Products Inc. (collectively known as "Utopia"), an unrelated company. This prepayment was made on January 30, 2019 in the amount of $997,125 and $293,814 of inventory had been received prior to March 31, 2019. In September 2018, the Company advanced funds to Utopia in a separate prepaid inventory arrangement, within which all inventory was received by March 31, 2019.

b) As at March 31, 2019, prepaid inventory of $902,090 (December 31, 2018 - $481,567) relates to inventory from Humboldt Hills Natural Farms Inc., Undertow LLC, and Mattole Farms Inc. (collectively known as "Humboldt's Finest" or "Humboldt"), an unrelated entity. The funds advanced by the Company were part of an exclusive distribution agreement and strategic investment made on February 4, 2019 in the amount of $935,968. The funds relate to prepayment of cannabis and related products. As part of the arrangement the Company has renewed and extended its distribution right of Humboldt's products. An amount of $33,878 of inventory was received prior to March 31, 2019.

c) On February 15, 2019, the Company entered a strategic partnership with EH Tech Inc. d/b/a Nature's Market ("Kurvana"), a premium cannabis vape brand in California. As part of the strategic partnership, the Company became the exclusive distributor of Kurvana products across Northern California. As part of the arrangement, the Company prepaid $2,004,450 for inventory to be received at a later date. At March 31, 2019, $1,273,879 of this inventory has been received and the prepaid inventory balance is $730,571.

As part of the partnership, the Company has also agreed to lend Kurvana up to $13.4 million in strategic financing through a promissory note (Note 9).

(2) Other prepaid expenses are largely made up of prepaid rent, legal fees, security deposits, licenses, taxes and regulatory costs.

9. Loans Receivable

		March 31, 2019		December 31, 2018
180 Smoke (1)	**$**	**-**	$	1,929,684
Henry's (2)		2,151,757		-
Kurvana (3)		2,703,565		-
Pure Alpha (6)		50,000		-
Allowance for expected credit loss		(63,991)		-
Total loans receivable: current	**$**	**4,841,331**	**$**	**1,929,684**
James E. Wagner Cultivation (4)		3,153,054		-
C.G.S Foods Facility A (5a)		774,245		-
C.G.S Foods Facility B (5b)		383,557		-
Allowance for expected credit loss		(9,758)		-
Total loans receivable: long-term	**$**	**4,301,098**	**$**	**-**
Adjusted total loans receivable	**$**	**9,142,429**	**$**	**1,929,684**

(1) On May 9, 2018 the Company entered a secured term credit facility with 180 Smoke for principal of up to $2.5 million (the "180 Smoke Facility"). On February 19, 2019, the Company completed the acquisition of 180 Smoke (Note 4). The loan receivable was settled with 180 Smoke as part of the transaction consideration. During the quarter ended March 31, 2019 the Company recorded interest revenue of $5,903 prior to closing of the transaction.

(2) The Company entered into two lending arrangements with Heritage Holding of California, Inc. d/b/a Henry's Original ("Henry's"):

a. A funding arrangement for inventory purchases of up to US $2.5 million between December 1, 2018 and March 1, 2019. Under the agreement, the Company provides funding and delivery of inventory, and Henry's pays 0.75% monthly interest, and has one year from the inventory purchase date to repay the principal and interest. As at March 31, 2019, $1,483,607 was drawn in connection with this arrangement.

b. On March 5, 2019, the Company entered into a term loan agreement whereby up to US $2.5 million in funding may be loaned to Henry's. The term loan bears annual interest of 10%, with a 3-month interest free period, and matures 6 months from the closing date. As at March 31, 2019, $668,150 was drawn in connection with this arrangement.

(3) On February 15, 2019, the Company entered into an agreement to provide financing to Kurvana. Included in the agreement was a promissory note arrangement in which the Company would advance up to $13.4 million under the terms of a binding Memorandum of Understanding ("MOU"). During the quarter ended March 31, 2019, the Company loaned $2.7 million, and advanced $2.0 million for prepaid inventory (Note 8).

In line with IFRS 9 *Financial Instruments,* the Company recorded the loan at amortized cost subsequent to initial measurement. The promissory note accrues interest at a rate of 10% per annum compounded monthly on the then-outstanding balance. Principal and interest are due 12 months from the anniversary date of the loan. Kurvana can repay any outstanding principal and interest balance, at any time throughout the loan, without penalty. During the quarter, the Company accrued interest revenue of $30,807 based on an effective interest rate of 10.47% calculated using the effective interest rate method.

(4) On February 20, 2019, the Company's subsidiary, Trichome, signed a senior secured term loan with James E. Wagner Cultivation Corporation ("JWC") to loan $3.5 million. The term loan was issued at a 5% discount from its face value of $3.5 million, with a 2-year maturity, and annual interest of 9.25%. The loan is secured by first ranking perfected security interest in the assets of JWC and is guaranteed by each of its subsidiaries.

Upon close, JWC issued Trichome 291,667 warrants, exercisable for two years at a price of $0.80 per share, which is based on the publicly available price per share. On issuance, the warrants had a fair value of $84,526, which was calculated using a Black-Scholes model with an exercise price of $0.80, an expected life of 2 years, annualized volatility of 64.32%, and a risk-free rate of 1.77%. On initial recognition the fair value of the warrants were netted against the value of the loan and recorded separately as a derivative asset. Subsequent to initial recognition, the warrants were recorded at their fair value of $121,951, resulting in a revaluation gain of $37,425.

In line with IFRS 9 *Financial Instruments,* the term loan was recorded at its fair value of $3,135,474. This was based on a face value of $3,500,000 less of warrants of $84,525, set-up fees of $105,000, 5% discount on issuance, and transaction costs. Subsequent to initial recognition, the loan is recorded at its amortized cost, with an effective annual interest rate of 15.3%. During the quarter ended March 31, 2019, the Company recorded income on the loan of $53,947.

(Unaudited - Expressed in Canadian Dollars)

(5) On March 18, 2019, the Company's subsidiary, Trichome, entered into a lending arrangement with C.G.S. Food Inc. d/b/a Ganjika House ("CGS"), a retail cannabis license holder in Ontario, Canada. The lending arrangement consists of a revolving credit facility ("Facility A") and a term loan ("Facility B").

a. The revolving credit Facility A provide for up to $1.0 million in funding, subject to cap of 75% of CGS's eligible inventory, and $750,000 lent on close. The facility earns interest at a monthly rate of 1.80% of the principal balance. As part of the arrangement, the facility also accrues interest at a monthly rate of 0.5% on the undrawn amount. In line with IFRS 9 *Financial Instruments,* the facility was originally recorded at its fair value of $774,245, which was based on CGSs' initial draw of $750,000, plus transactions costs of $24,245. Subsequent to initial recognition, the facility is recorded at amortized cost, with an effective annual interest rate of 23.86%. During the quarter ended March 31, 2019, the company recorded interest income of $7,375.

b. The Facility B term loan provides for funding up to $1.0 million, with $500,000 provided on close. The loan bears interest at an annual rate of 8.5% if interest is paid monthly or 12% if interest is deferred until the maturity of the loan for an elected period. The maturity date of the loan is March 15, 2021, and principal is due upon maturity. CGS has the option to prepay principal without paying a penalty of 12% on unpaid amounts. The penalty declines by 2% per month over the term of the loan until the penalty reaches 0% or the maturity date occurs.

In connection with Facility B, Trichome was issued common share warrants of CGS as well as the right to receive a minimum number of additional warrants. The number of warrants issued to Trichome will vary based on the dollar value of funds advanced to CGS and certain future events. At inception, the warrants were valued at $108,500 based on the implied value using a market effective interest rate when fair valuing Facility B of 23.86%. Subsequent measurement was determined using a Black-Scholes model with an exercise price of $65,000, an expected life of 5 years, annualized volatility of 53.10% obtained from publicly traded cannabis retailers, and a risk-free rate of 1.53%. The warrants and warrants receivable are recorded at their fair value through profit and loss. As at March 31, 2019 a loss of $475 was recorded.

In line with IFRS 9 *Financial Instruments,* the term loan was recorded on initial recognition at its fair value of $381,500, which is based on an effective interest rate calculation using a market interest rate of 23.86% and transaction costs of $10,000. For the quarter ended March 31, 2019, the Company recorded interest income of $3,792.

(6) On January 17, 2019, Trichome singed a promissory note with Pure Alpha Holdings Inc. ("Pure Alpha"), an Ontario licensed cannabis company, for $50,000. The note will be repaid in full by Pure Alpha on the one-year anniversary date of the note. The financing is interest free and can be repaid by Pure Alpha at any time throughout the duration of the loan without penalty. The note is guaranteed by Superette Inc. ("Superette"), a licensed retail licence holder in Ontario, Canada. As part of the arrangement, Superette has advanced $50,000 to Trichome, which was recorded as a deposit.

The fair value of warrants issued to Trichome as part of the JWC and CGS loans are as follows:

		March 31, 2019		December 31, 2018
James E. Wagner Cultivation warrants	**$**	**121,951**	$	-
C.G.S Foods warrants		**72,196**		-
C.G.S Foods warrants receivable		**35,893**		-
Total derivative assets	**$**	**230,040**	$	-

(Unaudited - Expressed in Canadian Dollars)

10. Interest in Equity Accounted Investees

		March 31, 2019		December 31, 2018
Associated Companies				
Resolve (1)	**$**	**1,486,063**	$	1,710,035
Joint Venture				
Mobile Medicine (2)		**-**		192,540
Total Equity accounted investments	**$**	**1,486,063**	$	1,902,575

Associated Companies

(1) On November 16, 2015, Origin House invested $750,000 in Resolve Digital Health Inc. ("Resolve"), an Ontario corporation based in Toronto, in return for 11% in equity interest. On April 1, 2016, in a transaction with Vida Cannabis Corp., the Company purchased an additional 24% of the common shares of Resolve for consideration of $1,695,000. This consideration was paid via the issuance of 2,260,000 Origin House shares at a value equivalent to the Company's other private transactions at the time of $0.75 per share.

During the quarter ended March 31, 2019, Resolve issued anti-dilutive shares, which reduced the Company's interest in Resolve to 25.56% (December 31, 2018 – 25.62%). These transactions resulted in a dilution loss of $3,861 for the three months ended March 31, 2019 which was included in the profit from equity accounted investees (March 31, 2018 – gain of $846,925).

The Company currently has 14,160,738 shares in Resolve (December 31, 2018 - 14,160,738). Resolve's last financing raise in December 2018 was at $1.00 per share.

The following tables summarize the financial information of Origin House's associates at March 31, 2019 and December 31, 2018:

		March 31, 2019		December 31, 2018
Current assets	**$**	**91,228**	$	501,316
Non-current assets		**87,373**		87,373
Current liabilities		**(819,193)**		(531,945)
Net assets		**(640,592)**	$	56,744

		March 31, 2019		March 31, 2018
Selected financial results of equity accounted investees				
Revenue	**$**	**-**	$	177,562
Net loss from operation and total comprehensive loss		**(859,667)**		(1,483,984)
Share of profit (loss) from equity accounted investees				
Origin House's share of loss and total comprehensive loss		**(220,111)**		(393,121)
Add - gain on deemed disposal after dilution		**(3,861)**		846,925
Origin House's loss from equity accounted investees	**$**	**(223,972)**	$	453,804

(Unaudited - Expressed in Canadian Dollars)

Joint Venture

(2) On July 22, 2016, the Company entered into a joint venture with CannaCraft, a California corporation that supplies equipment and cannabis-based medicines. Under the terms of the agreement, Origin House contributes two thirds of the funding required for a 50% equity interest, of which $192,540 has been advanced (December 31, 2018 - $192,540). The venture never commenced operations and the initial investment will be repaid with cannabis oil of the same value. The balance has been re-classified to other receivables in the first quarter of fiscal 2019.

11. Investments

The following table summarizes the Company's investments at March 31, 2019 and December 31, 2018:

		March 31, 2019		December 31, 2018
AltMed (1)	**$**	**14,937,697**	$	13,990,553
Bodhi (2)		**1,907,420**		3,740,000
Fleurish (3)		**157,093**		283,637
Australis (4)		**16,996**		542,940
Green Relief (2)		**1,740,000**		-
Total Investments	**$**	**18,759,206**	$	18,557,130

The following table summarizes gains and losses on investments for the three-month period ended March 31, 2019 and March 31, 2018:

		March 31, 2019				March 31, 2018		
		Unrealized gain/(loss)		**Realized gain/(loss)**		Unrealized gain/(loss)		Realized gain/(loss)
AltMed	**$**	**86,460**	**$**	**-**	$	(131,390)	$	-
Bodhi		**(92,580)**		**-**		-		-
Fluerish		**(126,544)**		**-**		202,184		-
Australis		**13,468**		**174,773**		-		-
Anandia		**-**		**-**		271,312		-
Total gain/(loss)	**$**	**(119,196)**	**$**	**174,773**	$	342,106	**$**	**-**

(1) In 2015, the Company purchased 1,500 Class A units in Alternative Medical Enterprises, LLC ("AltMed"), a Florida limited liability company focused on medical cannabis. AltMed owns 100% of NuTrae LLC ("NuTrae"), a company that develops drug delivery systems and products. The units were purchased for $1,850,070 (US $1,500,000), which represented an 8.3% equity interest at that time. As at December 31, 2018, Origin House's ownership percentage in AltMed was diluted to 4.8%.

In the first quarter of fiscal 2019, the Company acquired additional shares of AltMed in return for releasing its royalty investment in NuTrae, a subsidiary company of AltMed. This increased Origin House's ownership percentage in AltMed to 5.1%.

As at March 31, 2018, the Company has assessed the fair value of its equity holding in AltMed at $14,937,697 (December 31, 2018 - $13,990,553). This assessment was based on Level 3 inputs under the IFRS 13 fair value hierarchy. The inputs used in determining the fair value of this investment were based on similar precedent transactions involving comparable companies in the market as well as based on an earnings multiple for cannabis dispensaries. Below is a summary of the impact in the change in fair value of the investment for a 5% change in the value of the significant unobservable inputs which are used in determining the fair value of the investment:

- change in earnings multiple for dispensaries: impact of $108,623 (December 31, 2018 - $102,193)
- change in value per square foot of operational cannabis cultivation businesses: impact of $112,552 (December 31, 2018 - $107,467)
- change in value per square foot of non-operational cannabis cultivation businesses: impact of $106,827 (December 31, 2018 - $102,001)

(2) On April 7, 2016, the Company entered into an agreement to purchase a 10% equity interest in Bodhi Research Inc. ("Bodhi") for $250,000. The investee is an Ontario corporation that is conducting research trials for exploring the use of cannabis in the treatment of concussions and post-concussive syndrome.

On December 6, 2018, Bodhi entered a term sheet to sell 51% of its equity to Green Relief Inc. "Green Relief". As part of the agreement, Origin House would receive proceeds of $1,740,000 consisting of Green Relief shares. This transaction was closed on January 18, 2019 and the Company received Green Relief shares. At March 31, 2019, these Green Relief shares are valued at $1,740,000 using Level 2 inputs, based on the most recent private placement of these shares to another party in the prior quarter.

Furthermore, Bodhi has an option to sell the remaining 49% of its equity over the course of the 9 months after the completion of the deal which would generate an additional $2,000,000 in the form of Green Relief shares. This additional $2,000,000 would be paid out over a five-year period from the January 18, 2019 closing date of the transaction. The total proceeds from the transaction, including equity, are Level 3 inputs which are the basis for the fair value of the Company's investment in Bodhi at March 31, 2019. The unobservable inputs in the determination of the fair value of the investment is the discount rate used to determine the present value of the future payments to be received from the additional $2,000,000 in shares of Green Relief. With a 1% change in the discount rate, the expected fair value of the investment at March 31, 2019 would change by approximately $60,000 (December 31, 2018 - $60,000). The investment in Bodhi has been valued at $1,907,420 on March 31, 2019.

(3) During July 2017, the Company advanced $250,000 to Farmacopeia Inc., which changed its name to Fleurish Cannabis Inc. ("Fleurish"), in exchange for a 2.1% equity interest. Fleurish is a corporation based in the province of Ontario and has a cannabis production licence from Health Canada.

As of March 31, 2019, the Company has assessed the fair value of Fleurish at $157,093. This assessment is based on Level 2 inputs under the IFRS 13 fair value hierarchy and consists of observable transaction prices from a private placement completed in the first quarter of fiscal 2019. In the quarter ended March 31, 2019, Origin House's ownership percentage in Fleurish has decreased to 1.31% (December 31, 2018 - 1.42%).

(Unaudited - Expressed in Canadian Dollars)

(4) On November 19, 2018, in exchange for its equity stake of Wagner Dimas, the Company received 738,916 Australis shares and 369,458 Australis share purchase warrants.

At December 31, 2018 the Company's shares in Australis were valued at $539,410 based on the closing share price of Australis. The share purchase warrants were valued at $3,532 using a Black-Scholes Model and the following key assumptions; a stock price of $0.73, exercise price of $2.64, expected life of 0.88 years, volatility of 71.2% based on a blended rate of the Origin House historical volatility and comparable cannabis companies, and a risk-free rate of 1.85%.

On March 15, 2019, the 738,916 shares were sold for proceeds of $702,937, resulting in a realized gain of $174,773 for the three months ended March 31, 2019. The Company has retained a portion of warrants which have been revalued to $16,996, resulting in an unrealized gain of $13,468 for the three months ended March 31, 2019.

12. Royalty Investments

The following is a summary of the carrying amount of the Company's royalty investments with related terms. Royalty investments are recorded at cost less accumulated amortization and any impairment losses. The investments are amortized over the term of the royalty agreement.

	Term	Accounting Basis		March 31, 2019		December 31, 2018
NuTrae (1)	10 years	Amortized Cost	**$**	**-**	$	940,776
Natural Ventures (2)	10 years	Amortized Cost		**336,025**		341,050
Total			**$**	**336,025**	$	1,281,826

The following table is a summary of the amortization expense on royalty investments for the three months periods ended March 31, 2019 and March 31, 2018:

		March 31, 2019		March 31, 2018
NuTrae (1)	$	17,038	$	31,082
River		-		357,288
	$	17,038	$	388,370

(1) The Company purchased a 3.5% royalty interest on the net revenue of NuTrae for a period of 10 years, commencing January 1, 2016. The total consideration for this purchase was $1,130,000 (US $878,889). NuTrae, a wholly owned subsidiary of AltMed (Note 11) develops drug delivery systems and products including MüV branded products. This royalty investment stream is for a definite period and it is recorded at amortized cost. NuTrae has commenced commercial operations that earned revenue in February 2017, and accordingly amortization commenced during 2017 and is included within cost of sales.

On January 15, 2019, the Company signed a binding term sheet with AltMed to convert the Company's 3.5% royalty interest on the sale of AltMed's MÜV branded products to AltMed equity. In converting its MÜV Royalty to AltMed equity, the Company received 125 equity units valued at $1.1 million as well as cash consideration of $109,588, which resulted in a gain of $383,689.

(2) On December 20, 2016, Origin House entered into a binding term sheet with Natural Ventures PR, LLC ("Natural Ventures") regarding a royalty financing arrangement of $336,025 (US $250,000). Pursuant to the arrangement, Natural Ventures agreed to grant Origin House a 2.5% royalty on Natural Ventures' net income, and a further 10% referral royalty on revenue generated from products licensed by Natural Ventures from Origin House for the Puerto Rican market over a 10-year period.

The 10-year period to earn revenue and to record amortization will begin in the first quarter after Natural Ventures has generated net income, which has yet to occur as at March 31, 2019.

(Unaudited - Expressed in Canadian Dollars)

13. Right of Use Assets and Lease Obligations

The following is a summary of the Company's right-of-use asset activity for the quarter ended March 31, 2019:

	Net book value - January 1, 2019	Additions	Depreciation	Impact from foreign exchange	**Net book value - March 31, 2019**
Facilities and warehouses	$ 8,550,497	$ 346,830	$ (353,372)	$ (176,638)	**$ 8,367,317**
Offices	1,064,082	-	(62,473)	-	**1,001,609**
Retail stores	-	7,967,938	(88,516)	-	**7,879,422**
Vehicles	216,040	29,423	(26,591)	(4,546)	**214,326**
Equipment	7,677	-	-	-	**7,677**
Total	$ 9,838,296	$ 8,344,191	$ (530,952)	$ (181,184)	**$ 17,470,351**

The additions of $8,344,191 during the quarter relate to leases added through the acquisition of 180 Smoke (Note 4). The additional leases of retail stores, facilities, and vehicles are located across Canada and in New York state.

The following table shows a breakdown of the lease obligations relating to the right-of-use asset as of March 31, 2019:

	March 31, 2019
Total lease obligations	**16,427,732**
Current portion of lease obligations	**(1,739,791)**
Long-term portion of lease obligations	**14,687,941**

The following table is the contractual undiscounted cash outflows for lease obligations as of March 31, 2019:

	March 31, 2019
Less than one year	**$ 3,823,399**
Two to ten years	**22,483,683**
Total undiscounted lease obligations	**$ 26,307,082**

As at March 31, 2019, the Company had commitments of $216,793 relating to short-term leases which were not included in the calculation of the right-of-use asset and lease obligation on transition to IFRS 16 on January 1, 2019.

Interest expense on lease obligations for the quarter ended March 31, 2019 was $396,464. Total cash outflow during the quarter was $815,244, of which $194,587 was for short-term leases. Expenses for leases of low-dollar value were not material. There are no variable lease payments which are not included in the measurement of lease obligations.

Management has assessed the likelihood of exercising any optional lease terms as follows; for any extensions which are expected to be exercised, the value of the optional terms has been included in the right-of-use asset and lease liability balance at inception of IFRS 16 *Leases* (January 1, 2019) under the Modified Retrospective approach (Note 3).

(Unaudited - Expressed in Canadian Dollars)

14. Property, Plant and Equipment

The following is a summary of the activity for the three months ended March 31, 2019:

Cost	January 1, 2019	Additions from acquisition	Additions	Adjustments	Effect of foreign exchange	March 31, 2019
Building not ready for use	$ 3,369,117	$ -	$ 2,804	$ -	$ (72,739)	**$ 3,299,182**
Construction in progress	6,940,200	-	2,407,777	(6,311,530)	1,962	**3,038,409**
Processing equipment	838,092	-	88,071	-	(9,819)	**916,344**
Filling, labelling, and packaging equipment	784,968	-	-	-	(16,054)	**768,914**
Furniture and fixtures	329,126	319,299	8,114	(18,130)	(4,402)	**634,007**
Computers and relates equipment	885,539	16,300	177,534	(12,267)	(12,659)	**1,054,447**
Motor vehicles	657,684	32,954	-	(259,684)	(8,138)	**422,816**
Leasehold improvements	877,999	459,791	102,434	6,331,040	(151,291)	**7,619,973**
Retail equipment	-	96,613	-	-	-	**96,613**
Total	**$ 14,682,725**	**$ 924,957**	**$ 2,786,734**	**$ (270,571)**	**$ (273,140)**	**$ 17,850,705**

Accumulated Depreciation	January 1, 2019	Amortization	Adjustments	Effect of foreign exchange	March 31, 2019
Building not ready for use	$ -	$ -	$ -	$ -	**$ -**
Construction in progress	-	-	-	-	**-**
Processing equipment	(301,411)	(50,149)	(5,048)	(1,989)	**(358,597)**
Filling, labelling, and packaging equipment	(170,145)	(19,125)	-	9,616	**(179,654)**
Furniture and fixtures	(73,530)	(11,377)	-	(2,866)	**(87,773)**
Computers and relates equipment	(121,847)	(92,833)	12,016	1,139	**(201,525)**
Motor vehicles	(62,946)	(52,563)	43,644	(1,075)	**(72,940)**
Leasehold improvements	(148,732)	(199,818)	-	1,808	**(346,742)**
Retail equipment	-	(2,677)	-	-	**(2,677)**
Total	**$ (878,611)**	**$ (428,542)**	**$ 50,612**	**$ 6,633**	**$ (1,249,908)**
Net book value	**$ 13,804,114**				**$ 16,600,797**

During the quarter ended March 31, 2019, a construction project with total costs of $6,311,530 was completed. The construction was at one of the Company's leased facilities (Note 13). The costs were moved out of construction in progress, recorded within leasehold improvements, and began to depreciate once production at the facility began in January 2019. The Company is depreciating the asset over the expected term of the leased facility, which includes the optional terms that are expected to be exercised in the future.

(Unaudited - Expressed in Canadian Dollars)

Effective January 1, 2019, the Company implemented IFRS 16 *Lease* (Note 3). Under this new standard, leases which were previously recognized as a finance lease under IAS 17 *Leases* would continue to be recognized in a similar manner. However, the assets are no longer considered an item of property, plant, and equipment and instead are reclassified as a right-of-use asset (Note 13) on initial recognition (January 1, 2019). During the quarter ended March 31, 2019, the Company reclassified vans with a net book value of $216,040 (cost of $259,684 and accumulated depreciation of $43,644) from property, plant and equipment to right-of-use assets.

The following is a summary of the activity for the three months ended March 31, 2018:

Cost	January 1, 2018	Additions	Adjustments	Effect of foreign exchange	March 31, 2018
Processing equipment	$ 368,398	$ 124,455	$ -	$ 3,309	$ 496,162
Filling, labelling, and packaging equipment	725,761	-	-	18,432	744,193
Furniture and fixtures	138,966	965	-	2,634	142,565
Computers and relates equipment	43,209	12,405	-	44	55,658
Motor vehicles	-	84,462	-	1,670	86,132
Lease improvements	51,324	44,149	-	1,396	96,869
Total	$ 1,327,658	$ 266,436	$ -	$ 27,485	$ 1,621,579

Accumulated Depreciation	January 1, 2018	Amortization	Adjustments	Effect of foreign exchange	March 31, 2018
Processing equipment	$ (118,923)	$ (12,692)	$ -	$ (117)	$ (131,732)
Filling, labelling, and packaging equipment	(83,513)	(18,029)	-	(2,866)	(104,408)
Furniture and fixtures	(23,589)	(6,421)	-	(375)	(30,385)
Computers and relates equipment	(12,706)	(3,669)	-	-	(16,375)
Motor vehicles	-	(1,718)	-	(34)	(1,752)
Lease improvements	(4,829)	(2,739)	-	(21)	(7,589)
Total	$ (243,560)	$ (45,268)	$ -	$ (3,413)	$ (292,241)
Net book value	1,084,098				1,329,338

Included in the additions of $266,436 during the quarter ended March 31, 2018, were additions of $245,906 from the acquisitions of Kaya and Alta which were both acquired by the Company on March 27, 2018.

The depreciation for property and equipment has been recorded within the following expense lines during the three months ended March 31, 2019 and March 31, 2018:

	March 31, 2019	March 31, 2018
General and administrative	**$ 346,293**	$ 45,268
Sales and marketing	**82,249**	-
Total	**$ 428,542**	$ 45,268

(Unaudited - Expressed in Canadian Dollars)

15. Intangible Assets and Goodwill

The following is a summary of the intangible assets and goodwill for the three months ended March 31, 2019:

	January 1, 2019	Additions from acquisition	Additions	Amortization	IFRS 16 adjustments	Effect of foreign exchange	March 31, 2019
Acquired brands	$ 8,494,720	$ 900,000	$ -	$ (235,903)	$ -	$ (174,884)	$ **8,983,933**
Acquired technology	3,028,909	-	-	(108,968)	-	(62,363)	**2,857,578**
Product formulations	259,284	-	-	(7,811)	-	(5,482)	**245,991**
Licenses	20,964,598	-	-	(744,884)	-	(432,500)	**19,787,214**
Retail and customer relationships	12,450,507	-	-	(311,431)	-	(256,294)	**11,882,782**
Distribution network	4,626,357	-	-	(118,016)	-	(95,220)	**4,413,121**
Favourable lease	1,030,824	-	-	-	(1,030,824)	-	**-**
Software and systems	279,990	332,563	49,727	-	-	6,925	**669,205**
Store banner brand	-	6,100,000	-	(68,522)	-	-	**6,031,478**
Loyalty program customers	-	500,000	-	(18,721)	-	-	**481,279**
Wholesale customers	-	700,000	-	(15,726)	-	-	**684,274**
Franchise network	-	1,100,000	-	(12,356)	-	-	**1,087,644**
Total intangible assets	**$ 51,135,189**	**$ 9,632,563**	**$ 49,727**	**$ (1,642,338)**	**$ (1,030,824)**	**$ (1,019,818)**	**$ 57,124,499**
Goodwill	57,518,746	27,748,111	-	-	-	(1,145,615)	**84,121,242**
Total	**$ 108,653,935**						**$ 141,245,741**

The following is a summary of the intangible assets and goodwill for the three months ended March 31, 2018:

	January 1, 2018	Additions from acquisition	Amortization	Effect of foreign exchange	March 31, 2018
Acquired brands	$ 1,957,947	$ -	$ (55,761)	$ 49,977	$ 1,952,163
Acquired technology	3,147,580	-	(89,643)	80,605	3,138,542
Employment agreement	215,161	-	(14,032)	-	201,129
Product formulations	286,910	-	(7,432)	(465)	279,013
Licenses	-	3,866,400	(3,881)	3,600	3,866,119
Customer and retail relationships	-	3,093,120	(4,358)	2,880	3,091,642
Total intangible assets	$ 5,607,598	$ 6,959,520	$ (175,107)	$ 136,597	$ 12,528,608
Goodwill	4,759,377	8,082,331	-	376,557	13,218,265
Total	$ 10,366,975				$ 25,746,873

The addition of goodwill and intangible assets during the three months ended March 31, 2019 pertain to the acquisition of 180 Smoke (Note 4). The additions to goodwill and intangible assets during the three months ended March 31, 2018 pertain to the acquisitions of Alta Supply Inc. and Kaya Management Inc.

Amortization of intangible assets is classified as a separate line within operating expense. Software and systems charges include internal costs related to the development of an enterprise resource management system which has not been deployed as at March 31, 2019.

(Unaudited - Expressed in Canadian Dollars)

16. Amounts Payable and Accrued Liabilities

Amounts payable and accrued liabilities consist of the following balances:

		March 31, 2019		December 31, 2018
Trade accounts payable	**$**	**7,110,304**	$	5,316,702
Other accrued liabilities		**2,088,540**		1,992,161
Payroll accruals		**3,111,303**		2,652,568
Sales tax payable		**394,988**		447,863
Other payables		**827,563**		605,991
Total amounts payable	**$**	**13,532,698**	$	11,015,285

17. Other Liabilities

		March 31, 2019		December 31, 2018
Vehicle loans (1)	**$**	**118,586**	$	99,188
Preferred shares held by non-controlling interest (2)		**13,993,220**		13,550,172
Deposit for shares held by non-controlling interest (3)		**3,512,742**		-
Total other liabilities	**$**	**17,624,548**	$	13,649,360

(1) As part of the acquisition of Alta in 2018 as well as the acquisition of 180 Smoke in 2019, the Company inherited loans related to company vehicles.

(2) Trichome, a subsidiary of the Company, issued Class A Preferred shares at the subsidiary level as part of a private placement which closed on September 5, 2018, for $4.73 per share. Proceeds were $13.5 million, net of the Company's investment, excluding issuance costs of $480,383. The shares are convertible to cash, at the option of the holder, for $5.15 per share should an Initial Public Offering of Trichome fail to occur or other events fail to occur by September 5, 2019. Consequently, the Class A Preferred shares are classified as liabilities on the Company's statement of financial position, and issuance costs have been netted against gross proceeds.

Included in the balance of $13,993,220 at March 31, 2019 (December 31, 2018 – 13,550,172) is accrued interest expense of $1,001,248 based on an annualized effective interest rate of 11.9% (December 31, 2018 - $558,200). This annualized effective interest rate is based on a 9% interest rate before taking transaction costs into consideration.

(3) During the first quarter of 2019, Trichome, a subsidiary of the Company, launched a non-brokered private placement of subscription receipts in connection with a reverse takeover. The balance of $3,512,742 represents the funds raised during the quarter in connection with the private placement.

(Unaudited - Expressed in Canadian Dollars)

18. Convertible Debt

8% unsecured convertible debentures

On July 12, 2018, the Company closed a private placement of 32,980 convertible debentures at a price of $1,000 per debenture for aggregate gross proceeds to the Company of $32,980,000, including an over-allotment option of $2,980,000. The convertible debentures have a maturity date of three years from the closing date and bear interest from the date of closing at 8.0% per annum, payable semi-annually on June 30 and December 31 of each year. The debentures can be convertible, at the option of the holder, into common shares of the Company at any time prior to the maturity date at a conversion price of $6.25 per common share. At any time following the date that is four months and one day following the closing date, the Company had the option to force the conversion of the principal amount of the outstanding convertible debentures at the Conversion Price should the daily volume weighted average trading price of the common shares be greater than $9.00 for any ten consecutive trading days.

On February 25, 2019 the Company exercised its discretionary right to force a conversion of the outstanding debentures as the trigger event for a mandatory conversion had occurred in accordance with the terms of the debenture. On March 28, 2019 the outstanding debentures were deemed to be surrendered for conversion to common shares. In the first quarter of fiscal 2019, the remaining $18,963,000 of convertible debt recorded at December 31, 2018 was converted into 3,034,080 Origin House common shares.

In accordance with IAS 32 *Financial Instruments – Presentation,* the Company allocated the above proceeds of $32,980,000 net of transaction costs of $1,730,261 as follows; $4,124,998 was the value of the conversion feature while an amount of $27,124,741 was classified as debt. A deferred tax charge of $1,093,124 was applied to the conversion feature and the net amount of $3,031,874 was recorded within equity. The amount recorded in equity reflects the estimated residual value of the conversion feature, using the discounted cash flow method. This valuation model considers the present value of cash flows associated with the debentures, discounted at prevailing market borrowing rate presently available to the Company for lending facilities with similar terms. The difference between the principal amount of the debentures and the discounted cash flows represents the initial value of the conversion feature.

		March 31, 2019
Balance of 8% convertible debentures, January 1, 2019	**$**	**16,026,098**
Interest accreted		**156,836**
Value of debt converted to equity (Note 23(6))		**(16,182,934)**
Balance at March 31, 2019	**$**	**-**

At March 31, 2019 interest payable was $136,637 (December 31, 2018 - $4,214).

(Unaudited - Expressed in Canadian Dollars)

19. Interest Expense

The following is a summary of interest expense for the three months ended March 31, 2019 and March 31, 2018:

	Three months ended	
	March 31, 2019	March 31, 2018
Amortization of deferred financing fees on line of credit (Note 20)	**$ 45,354**	$ 46,125
Amortization of Sprott transaction costs (Note 20)	**158,005**	158,005
Interest accretion on 180 Smoke contingent consideration (Note 4)	**24,735**	-
Interest accretion on Floracal contingent consideration	**27,198**	-
Interest and accretion expense on 8% convertible debenture (Note 18)*	**73,697**	-
Interest and accretion expense on Aphria convertible note	**-**	29,664
Interest expense on capitalised leases (Note 13)	**396,464**	-
Interest expense on Class A Preferred shares Series 1 (Note 17)	**443,048**	-
Interest on Sprott line of credit	**-**	83,333
Other interest expense	**7,759**	2,863
Total	**$ 1,176,260**	$ 319,990

*Interest expense on the 8% convertible debentures is stated net of capitalised interest of $322,209 which has been charged to capital projects.

20. Deferred Financing Charges (Line of Credit)

	January 1 2019	**Interest expense**	**Amortization of cost**	**March 31 2019**
Line of credit at January 1, 2019	$ -	$ -	$ -	**$ -**
Accrued interest	-	-	-	**-**
Warrants issued to Sprott	1,051,614	-	(158,005)	**893,609**
Agents commission and legal fees	302,359	-	(45,354)	**257,005**
Deferred financing fees at March 31, 2019	**$ 1,353,973**	**$ -**	**$ (203,359)**	**$ 1,150,614**

Of the outstanding deferred financing fees, $825,239 will be amortised over the next 12 months and has been classified as current (December 31, 2018 - $824,735), with the remaining $325,375 recorded as long-term (December 31, 2018 - $529,238).

	January 1, 2018	Interest expense	Amortization of cost	March 31, 2018
Line of credit at January 1, 2018	$ (3,000,000)	$ -	$ -	$ (3,000,000)
Accrued interest	-	(83,333)	-	(83,333)
Warrants issued to Sprott	1,692,414	-	(158,005)	1,534,409
Agents commission and legal fees	481,069	-	(39,625)	441,444
Line of credit at March 31, 2018	$ (826,517)	$ (83,333)	$ (197,630)	$ (1,107,480)

On August 23, 2017, the Company executed an agreement with Sprott Inc. ("Sprott") to complete a $12.0M financing. The financing is comprised of a revolving $12.0 million secured credit facility ("the Facility") with a three-year term. The Facility bears interest at an annual rate of 10%, payable quarterly in cash or Origin House shares. Per the agreement, if the interest is repaid in Origin House shares, the share price will be determined based on a 10% discount of the volume weighted average price in the five trading days immediately prior to the second last business day of the quarter. As there is no balance drawn on the line of credit with Sprott, the net balance is in an asset position as of March 31, 2019.

In connection with the commencement of the Facility in 2017, Origin House issued Sprott 1,800,000 non-transferable common share purchase warrants which were valued at $1,922,400. These have been recorded as transaction costs which offset the line of credit balance. These costs are amortized on a straight-line basis over the three-year term of the line of credit.

(Unaudited - Expressed in Canadian Dollars)

At March 31, 2019, the Company has nil drawn on the line of credit (December 31, 2018 - nil).

Interest expense on the line of credit was nil for the three months ended March 31, 2019 (March 31, 2018 - $83,333).

21. Commitments and Contingencies

The Company has an exclusive distribution rights agreement with a party that is significantly influenced by a member of key management. As at March 31, 2019, this agreement guarantees further royalty payments of $4.2 million (US $3.1 million) based on separate quarterly guarantees ending December 31, 2022.

In connection with the FloraCal acquisition, the Company committed to spending $10.0 million (US $7.5 million) for the expansion of FloraCal's cultivation facility. The Company committed a total of $8.7 million (US $6.5 million) to a construction company for the project, of which approximately $3.0 million remained committed at March 31, 2019.

22. Related Party Transactions

The following is a summary of the related party balances at March 31, 2019 and December 31, 2018:

	March 31 2019	December 31 2018
Management bonus and vacation payable (1)	**(726,916)**	(545,560)
Working capital adjustment due from acquiree (2)	**477,810**	487,786
Working capital adjustment due to acquiree (3)	**(324,618)**	(331,009)
Net payable	**(573,724)**	(388,783)

(1) The management bonus and vacation payable are included in the amounts payable and accrued liabilities balance (Note 16).

(2) A working capital adjustment in connection with the Alta acquisition, in the amount of $477,810 (US $357,562) is owed by a member of key management, and former owner of Alta. This balance is included in amounts receivable. (December 31, 2018 - $487,786)

(3) A working capital adjustment in connection with the FloraCal acquisition, in the amount of $324,618 ($US $242,624) is owed to members of key management, who were the former shareholders of FloraCal. This balance is recorded within other payables (Note 16). (December 31, 2018 - $330,987)

(Unaudited - Expressed in Canadian Dollars)

The following is a summary of related party transactions, excluding key management salary-based compensation for the three months ended March 31, 2019 and March 31, 2018:

i) The Company has an exclusive distribution rights agreement with a party that is significantly influenced by a member of key management. During the quarter, the Company incurred royalties of $290,481 (March 31, 2018 – nil)

ii) For the three months ended March 31, 2019, the Company purchased $103,573 of inventory from Cub City, a cultivator partially owned by the former owners of FloraCal.

23. Share Capital

Authorized:

Unlimited number of common shares

Issued and outstanding:

66,841,636 common shares, voting, 34,268 Class A compressed shares, voting, and 21,001 RPE compressed shares, non-voting.

	Number of shares		$
Common shares	66,841,636	$	171,752,284
Class A compressed shares	34,268		17,134,000
RPE compressed shares	21,001		13,125,000
Balance at March 31, 2019		**$**	**202,011,284**

Common shares

The following table summarizes share issuances for the three months ended March 31, 2019:

	Number		Amount
Balance at January 1, 2019	**60,263,768**	**$**	**123,566,588**
Shares issued for the conversion of Class A compressed shares (1)	82,000		410,000
Shares issued as milestone payments related to the purchase of Alta (2)	21,722		82,326
Shares issued due to exercise of warrants at $5.50 (3)	3,450		18,975
Shares issued on release of RSUs (note 24 "share unit plan")	377,919		811,609
Shares repurchased under a Normal Course Issuer Bid (4)	(22,700)		(38,311)
Shares issued for the acquisition of 180 Smoke (5)	3,081,397		28,502,922
Shares issued for conversion of 8% unsecured convertible debentures (6)	3,034,080		18,398,175
Balance at March 31, 2019	**66,841,636**	**$**	**171,752,284**

(1) During February 2019, 820 Origin House Class A compressed shares were converted to 82,000 common shares based on one Class A compressed share being equivalent to 100 common shares.

(2) In connection with the acquisition of Alta and Kaya in 2018, a total of 21,722 milestone performance shares were issued to a shareholder of Alta having met the condition for the release. The shares had an acquisition date value of $3.79 per common share.

(3) Compensation warrants were issued to agents as part of equity financing raises in April 2018 at an exercise value of $5.50 per common share. At December 31, 2018, cash had been received for the exercise of 3,450 warrants, but the shares could not be released until certain procedures were completed. The amount received was therefore recorded as shares to be issued at December 31, 2018.

(Unaudited - Expressed in Canadian Dollars)

(4) During the period, 22,700 common shares were bought back for cash of \$145,122 with \$106,811 recorded in accumulated deficit. The additional deficit has been derived based on the difference between the fair value of the shares at the buy-back date as compared to the average cost per common share capital prior to the buy-back transaction.

(5) On February 19, 2019, in connection with the acquisition of 180 Smoke (Note 4), 3,081,397 Origin House common shares were issued as part of the initial purchase consideration for 100% ownership of the company. The shares were valued at \$9.25 based on the Origin House closing share price on the acquisition date.

(6) During the quarter, all the outstanding 8% convertible debentures were converted to 3,034,080 Origin House common shares at the conversion value of \$6.25 per share representing a fair value of \$16,182,934 based on the value of the debt at initial recognition. The value recognised in share capital also includes the amounts of \$1,743,282 and \$471,959 which were reclassified to share capital from contributed surplus and deferred tax liability respectively representing the remaining value related to the debt which has been fully converted.

Class A Compressed Shares

Pursuant to the purchase agreement dated July 2, 2018, the Company issued 35,088 Origin House Class A compressed shares as a component of purchase consideration for FloraCal which are valued at \$17,544,000. Each Class A compressed share is convertible into 100 common shares of Origin House, subject to certain conditions and restrictions and once converted are valued at \$5.00 per common share, based on the Level 1 observable value of the Company's publicly traded common shares on July 2, 2018.

Class A compressed shares are entitled to vote together with holders of common shares, with respect to any matters upon which holders of common shares have the right to vote. Each Class A compressed share carries the right to one vote for each common share into which it can be converted.

During the period, 820 Class A compressed shares were converted to common shares.

	Number of shares		\$
Balance at January 1, 2019	**35,088**	**\$**	**17,544,000**
Converted to common shares	(820)		(410,000)
Balance at March 31, 2019	**34,268**	**\$**	**17,134,000**

RPE Compressed Shares

The Company closed the acquisition of RVR Distribution in 2018. The vendors received 21,001 RPE compressed shares as a component of purchase consideration for RVR which were valued at \$13,125,000. The RPE compressed shares will enable the recipients to acquire one Class A compressed share which is convertible to 100 common shares of Origin House valued at \$6.25 per share based on level 1 observable value. The share price is based on Origin House share price at the acquisition date of August 31, 2018, the date at which the Company assumed control of RVR.

RPE shares have no voting rights until the RPE shares are exchanged for Origin House Class A compressed shares.

(Unaudited - Expressed in Canadian Dollars)

Shares to be issued and contingent shares

The following summarizes the shares to be issued and outstanding contingent shares at March 31, 2019:

	Number of shares		$
Contingent Class A compressed shares for acquisition of FloraCal	35,088	$	11,266,335
Contingent RPE compressed shares for the acquisition of RVR	49,000		20,468,518
Contingent common shares payable for the acquisition of Kaya and Alta	585,776		1,973,112
Contingent consideration on the acquisition of 180 Smoke (note 4 (iv) and 4(v))	1,508,921		1,413,479
Balance at March 31, 2019		**$**	**35,121,444**

Warrants

The following tables summarize the movement of warrants for the three months period ended March 31, 2019 and March 31, 2018:

	Number of warrants		Grant date value		Weighted average exercise price
Outstanding and exercisable at January 1, 2019	**12,938**	**$**	**1.68**	**$**	**4.00**
There were no grants and exercises during the period	-		-		-
Outstanding and exercisable at March 31, 2019	**12,938**	**$**	**1.68**	**$**	**4.00**

	Number of warrants		Grant date value		Weighted average exercise price
Outstanding and exercisable at January 1, 2018	4,112,712	$	0.99	$	3.67
Grants	200,000		1.89		4.00
Exercises	(1,689,221)		0.97		2.76
Outstanding and exercisable at March 31, 2018	2,623,491	$	0.98	$	4.26

The warrants have a fair value of $21,790 at March 31, 2019. The 12,938 remaining warrants at March 31, 2019 were subsequently exercised in April 2019 for proceeds of $51,752.

Non-controlling Interests

The table below shows the summarized financial information of the Company's subsidiaries with non-controlling interests. Amounts shown are before elimination of inter-company balances.

As at March 31 2019		**Achelois**		**Trichome**
Cash and cash equivalents	$	855	$	13,360,033
Prepaid and other assets		-		10,162
Amounts receivable		-		4,406,334
Derivative assets		-		230,040
Amounts payable and accrued liabilities		(323,872)		(19,623,963)
Other liabilities		-		(255,880)
Non-controlling interest		114,725		(141,497)
Equity attributable to Origin House	**$**	**(208,292)**	**$**	**(2,014,771)**

(Unaudited - Expressed in Canadian Dollars)

As at March 31, 2018		Achelois		Trichome
Cash and cash equivalents	$	826	$	334,957
Inventory		51,445		-
Property, plant and equipment		1,935		-
Amounts payable and accrued liabilities		(632,683)		(3,390)
Other liabilities		-		(34,407)
Non-controlling interest		190,746		(168,270)
Equity attributable to Origin House	$	(387,731)	$	128,890

The net changes in the non-controlling interests is as follows:

		Achelois		**Trichome**		**Total**
As at January 1, 2019	$	(97,037)	$	173,818	**$**	**76,781**
Net loss		(8,974)		(289,000)		**(297,974)**
Equity incentive plan		-		242,729		**242,729**
As at March 31, 2019	$	(106,011)	$	127,547	**$**	**21,536**

		Achelois		Trichome		Total
As at January 1, 2018	$	(177,006)	$	-	$	(177,006)
Equity		-		180,000		180,000
Net loss		(13,740)		(11,730)		(25,470)
As at March 31, 2018	$	(190,746)	$	168,270	$	(22,476)

Reverse-takeover ("RTO") of 22 Capital Corp ("22 Capital") by Trichome (the "Transaction")

An Origin House subsidiary, Trichome, commenced a non-brokered private placement of subscription receipts in connection with its reverse take-over of 22 Capital Corp where Trichome will be the acquirer. Trichome expects to raise minimum gross proceeds of approximately $15.0 million and a maximum of approximately $30.0 million. Trichome intends to use the proceeds of the financing to fund the Company's growing pipeline of cannabis sector credit opportunities and for general corporate purposes.

After the RTO, Origin House is expected to own 5,769,132 common shares of the resulting issuer. If Trichome completes the minimum offering, Origin House is expected to own approximately 23.68% of the common shares of the resulting issuer on a fully diluted basis, and if Trichome completes the maximum offering, Origin House is expected to own 18.31% of the common shares of the resulting issuer on a fully diluted basis.

(Unaudited - Expressed in Canadian Dollars)

24. Share-Based Compensation

The following is a summary of the share-based compensation expenses by type for the three months ended March 31, 2019 and March 31, 2018:

	Three months ended	
	March 31, 2019	March 31, 2018
Share-based compensation:		
Share unit plan (1)	**$ 275,945**	$ 1,733,899
Share option plan (2)	**153,646**	206,144
Total Origin House plans	**429,591**	1,940,043
Subsidiary company plans	**242,729**	-
Total	**$ 672,320**	$ 1,940,043

The following is a summary of share-based compensation expenses by function for the three months ended March 31, 2019 and March 31, 2018:

	Three months ended	
	March 31, 2019	March 31, 2018
General and administrative	**$ 610,958**	$ 1,886,003
Sales and marketing	**54,764**	51,773
Research and development	**6,598**	2,267
Total	**$ 672,320**	$ 1,940,043

(1) Share unit plan – Restricted Share Units ("RSUs")

The share unit plan provides for a maximum number of RSUs issuable set at a rolling maximum of 10% of the Company's issued and outstanding common shares. At March 31, 2019, a total of 2,300,146 RSUs were available for grant.

The number of RSUs granted, and any applicable vesting conditions are determined at the discretion of the Origin House Board or a compensation committee of the Board. The termination provisions under the share unit plan provide for automatic vesting of any unvested RSUs in the event of retirement, death, disability, and change in control. The RSUs are equity-settled and each RSU can be settled for one common share for no consideration.

Summary of Activity

The following table provides a summary of the movement in RSUs during the three months ended March 31, 2019 and March 31, 2018:

	Three months ended			
		March 31, 2019		March 31, 2018
	Amount	**grant date value***	Amount	grant date value*
Outstanding RSUs, beginning of period	**3,431,210**	**$ 2.47**	4,153,150	$ 2.28
Granted	**-**	**-**	10,000	3.58
Settled in common shares	**(377,919)**	**2.15**	(53,500)	2.22
Forfeitures	**(7,500)**	**3.73**	-	-
Outstanding RSUs, end of period	**3,045,791**	**$ 2.51**	4,109,650	2.35

*the weighted average value of the RSUs at the Grant Date

(Unaudited - Expressed in Canadian Dollars)

The fair value of RSUs is based on the grant date share price. The RSUs have an annual forfeiture rate of 0%-4.5%. Of the outstanding RSUs at March 31, 2019, 2,556,001 have vested but have not been converted (December 31, 2018 – 2,551,839), as employees may elect to defer the conversion of RSUs into common shares for a period of three years after the vesting date. A total of 489,790 unvested RSUs will vest in an average of 1.44 years.

(2) Stock Option Plan

The plan provides for a maximum number of common shares issuable with the ceiling set at a rolling maximum of 10% of the Company's issued and outstanding shares. At March 31, 2019, a total of 5,755,164 stock options were available for grant.

As at March 31, 2019, there are 929,000 stock options outstanding. The outstanding options generally vest as follows; one-quarter at the grant date, and one-quarter at each of the following three grant date anniversaries.

The following is a summary of stock options for the three months ended March 31, 2019 and March 31, 2018:

	March 31, 2019			March 31, 2018		
	Number of Options		**Weighted Average Exercise Price**	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of period	**929,000**	**$**	**4.19**	850,000	$	3.68
Outstanding, end of period	**929,000**	**$**	**4.19**	850,000	$	3.68
Exercisable at end of period	**425,750**	**$**	**3.91**	225,000	$	3.68

The 503,250 unvested options as at March 31, 2019 will vest over an average of 1.28 years.

(Unaudited - Expressed in Canadian Dollars)

25. Loss per Share

The basic loss per share ("EPS") has been calculated based on the following net profit attributable to ordinary shareholders and the weighted average number of common shares outstanding:

		Three months ended		
		March 31, 2019		March 31, 2018
Loss attributable to common shareholders	**$**	**(17,136,306)**	$	(4,629,003)
Weighted average number of common shares issued and outstanding:				
Issued and outstanding ordinary shares beginning of period		**60,263,768**		43,898,445
Effect of issued and outstanding Class A compressed shares		**3,445,933**		-
Effect of conversion of Class A compressed shares		**62,867**		-
Effect of issued and outstanding RPE compressed shares		**2,100,000**		-
Effect of RSUs released		**189,303**		34,941
Effect of warrants exercised		**3,182**		1,095,690
Effect of shares issued for acquisitions		**1,419,677**		-
Effect of conversion of convertible debt		**1,110,037**		-
NCIB purchases		**(14,881)**		-
Others		**-**		46,619
Weighted average number of shares at period end		**68,579,886**		45,075,695
Basic and diluted loss per share	**$**	**(0.25)**	$	(0.10)

Included in the weighted average number of shares at March 31, 2019, are the common share equivalents of the Class A and RPE compressed shares based on the dates they were issued in the acquisitions of FloraCal and RVR, respectively.

The calculation of diluted net loss per share for the three months ended March 31, 2019 and March 31, 2018 excludes exercisable warrants (Note 23), in-the-money vested RSU's and share options (Note 24), convertible debt (Note 18) and contingent shares because their effect would have been anti-dilutive.

(Unaudited - Expressed in Canadian Dollars)

26. Financial Instruments

Fair value

The following table summarized the fair values of recognized financial instruments using the valuation methods and assumptions described below. Unless otherwise noted, carrying values approximate fair values for each financial instrument:

			March 31, 2019	December 31, 2018
Cash and cash equivalents	FVTPL	Level 1	$ **39,252,543**	$ 69,206,193
Investments	FVTPL	Level 1	**-**	542,940
Investments	FVTPL	Level 2	**174,089**	283,637
Investments	FVTPL	Level 3	**18,585,117**	17,730,553
Derivative assets	FVTPL	Level 2	**230,040**	-
Loans receivable	Amortized cost, FVTPL	Level 3	**9,142,429**	1,929,684
Amounts receivable	Amortized cost		**4,954,184**	3,110,989
Amounts payable	Amortized cost		**13,532,698**	11,015,285
Current purchase consideration	Amortized cost		**692,553**	683,167
Convertible debt	Amortized cost		**-**	16,030,312
Non-current purchase consideration	Amortized cost		**5,110,973**	1,184,482
Loans payable and other liability	Amortized cost		**17,624,548**	13,649,360

Fair value measurements recognized in the consolidated statements of financial position must be categorized in accordance with the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments carried at fair value consist of cash and equivalents (Level 1), loans receivable (Level 3), and investments (Level 1, 2 and 3). Financial instruments are valued using observable market inputs, such as the prime rate of borrowing and the Company's stock price. The Company has not transferred any financial instruments between Level 1, 2 or 3 of the fair value hierarchy during the quarter ended March 31, 2019.

The Company performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to ensure the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other stakeholders.

(Unaudited - Expressed in Canadian Dollars)

The Company's capital is composed of equity. The Company's primary uses of capital are investments in companies in the cannabis industry, either through acquisitions, investments, lending, or funding the growth of existing subsidiaries. The Company also uses capital to finance operating losses, capital expenditures, and increases in non-cash working capital. The Company currently funds these requirements from cash raised through financings and divesture of non-core investments and may need to raise additional funds to reach its goals. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity to build its portfolio of interests into successful businesses from which it will obtain returns on investment.

The Company monitors its capital based on the adequacy of its cash resources to fund its business plan. In order to maximize flexibility to finance growth, the Company does not currently pay a dividend to holders of its common shares. The Company did not institute any changes to its capital management strategy during the year.

27. Segmented Information

Due to the acquisition of 180 Smoke during the first quarter of 2019, the Company created an additional operating segment in the first quarter of fiscal 2019 and now has three such segments.

1) The Corporate segment derives income from non-operating investment and contains the Company's corporate, strategic, and administrative activities.
2) The California Operations segment combines the Company's cultivation, manufacturing, and distribution businesses.
3) The Canadian Operations segment consists of operations from retail, online, wholesale, and franchise activities.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on profit or loss.

	California Operations segment	**Canadian Operations segment**	**Corporate segment**	**Consolidated**
Revenues[1]	9,301,941	1,565,281	293,939	11,161,161
Net loss before tax	**(9,506,369)**	**(469,062)**	**(7,810,263)**	**(17,785,694)**
Current tax recovery	-	90,441	-	90,441
Depreciation of property, plant and equipment	(372,853)	(20,478)	(35,211)	(428,542)
Depreciation of right-of-use assets	(370,507)	(97,013)	(63,432)	(530,952)
Interest revenue	23,628	438	260,132	284,198
Interest expense	(341,533)	(70,750)	(763,977)	(1,176,260)
Gain on investments	-	-	174,773	174,773
Gain on disposal of royalty investments	-	-	383,869	383,869
Changes in fair value of investments	-	-	(119,196)	(119,196)
Fair value gain on warrants	-	-	2,399	2,399
Loss from equity accounted investees, net of tax	-	-	(223,972)	(223,972)
Segment assets	**151,644,017**	**50,626,085**	**67,142,223**	**269,412,325**
Equity accounted investments	-	-	1,486,063	1,486,063
Capital expenditures	2,670,031	77,500	39,203	2,786,734

[1] All revenues reported are from external customers

As of March 31, 2018, the Company operated under one business segment.

(Unaudited - Expressed in Canadian Dollars)

During the three months ended March 31, 2019 and March 31, 2018, the Company generated the following types of revenues:

	March 31, 2019	March 31, 2018
Product Sales	**$ 10,793,972**	$ 84,773
Services	**33,806**	429,817
Royalties	**11,266**	119,058
Interest Income	**284,198**	9,789
Other Income	**37,919**	-
Total	**$ 11,161,161**	$ 643,437

Interest income is recorded in revenue based on the Company' business model, which includes lending and investing arrangements.

No customer generated greater than 10% of the total sales for the three months ended March 31, 2019. (for the three months ended March 31, 2018 – three parties represented 72%, with the largest party at 42%).

The cost of sales related to each type of revenue is as follows:

	March 31, 2019	March 31, 2018
Cost of product sales	**$ 9,618,603**	$ 75,673
Cost of services	**8,745**	209,023
Cost of royalties	**17,038**	388,371
Total	**$ 9,644,386**	$ 673,067

Geographic segments

The following table is a summary of revenues by geographic segments for the years ended March 31, 2019 and March 31, 2018:

	March 31, 2019	March 31, 2018
Canada	**$ 1,858,085**	$ 300,876
United States of America	**9,303,076**	342,561
Total	**$ 11,161,161**	$ 643,437

The geographic segment is based on the location of the purchaser of goods or services or the head office of the royalty issuer.

The Company's corporate and administrative offices are in Canada. The following summarizes the location of the Company's non-current assets as at March 31, 2019 and December 31, 2018.

	March 31, 2019		December 31, 2018	
	Canada	**USA**	Canada	USA
Derivative assets	**$ 230,040**	**$ -**	$ -	$ -
Deferred financing charges	**325,375**	**-**	529,238	-
Loans receivable	**4,301,098**		**-**	**-**
Right of use asset	**9,255,504**	**8,214,847**	-	-
Interest in equity accounted investees	**1,486,063**	**-**	1,710,035	192,540
Investments	**3,804,513**	**14,954,693**	4,023,637	14,533,493
Royalty investments	**336,025**	**-**	341,050	940,776
Property and equipment	**1,572,711**	**15,028,086**	256,376	13,547,738
Intangible assets and goodwill	**38,929,842**	**102,315,899**	1,782,652	106,871,283

(Unaudited - Expressed in Canadian Dollars)

28. General and Administrative Expense

	Three months ended March 31	
	2019	2018
Accounting & audit fees	**$ 287,315**	$ 205,563
Expected credit loss provision	**318,425**	(20,903)
Board and investor relations	**178,771**	-
Advisory & consulting fees	**1,876,381**	206,941
Legal fees	**964,635**	234,027
Rent*	**144,558**	75,928
Office & administration costs	**1,343,935**	318,813
Other non-corporate taxes	**190,159**	-
Salary-based compensation	**4,488,944**	717,622
Stock-based compensation	**604,768**	1,886,003
Depreciation: Property and equipment	**351,737**	45,268
Depreciation: Right-of-use assets	**407,920**	-
Travel	**199,341**	81,164
Total	**$ 11,356,889**	$ 3,750,426

*Rent on short term leases that do not meet the IFRS 16 capitalization criteria. (2018 - Rent value was determined under IAS 17 based on the actual lease payments)

(Unaudited - Expressed in Canadian Dollars)

29. Consolidated Statement of Cash Flows

The following is a list of items not affecting cash included within cash flows used in operating activities:

	Three months ended	
	March 31, 2019	March 31, 2018
Accreted interest on lease obligation (Note 13)	**396,464**	-
Accretion of derivative assets and liabilities	**-**	14,664
Accretion of interest on purchase consideration payable (Note 19)	**51,933**	-
Accrued and accreted interest on 8% convertible debt (Note 19)	**73,697**	-
Accrued interest on Trichome preference shares (Note 17)	**443,048**	-
Amortization of fees related to line of credit (Note 20)	**203,359**	197,630
Amortization of intangibles (Note 15)	**1,642,338**	166,868
Amortization of property and equipment (Note 14)	**428,542**	45,268
Amortization of right-of-use assets (Note 13)	**530,952**	-
Amortization of royalties (Note 12)	**17,038**	388,370
Expected credit loss provision (recovery) (Notes 5, 9)	**318,425**	(20,903)
Deferred tax expense (recovery)	**(260,973)**	168,813
Fair value loss on investments (Note 11)	**119,196**	-
Fair value gain on warrants (Note 9)	**(2,399)**	-
Gain on disposal of royalty (Note 12)	**(383,869)**	-
Gains on investments (Note 11)	**(174,773)**	(342,106)
Loss (gain) from equity accounted investees (Note 10)	**223,972**	(453,804)
Realized fair value amounts of inventory sold	**971,143**	-
Share based compensation (Note 24)	**672,320**	1,940,043
Unrealized fair value gain on growth of biological assets	**(1,107,095)**	-
Gain on impairment of convertible notes receivable	**-**	375,472
Write-off of inventory, net of recoveries (Note 6)	**60,737**	-
Items not affecting cash	**$ 4,224,055**	$ 2,480,315

30. Subsequent events

Acquisition of Cub City

On May 2, 2019, Origin House closed the acquisition of Cub City, a licensed premium craft cannabis producer based in Sonoma County, California for total preliminary consideration of $7.1 million.

Blissco loan

On May 14, 2019, the Company's subsidiary, Trichome, entered into an agreement to provide a $4.5 million trade finance facility (the "BlissCo Facility") and a $1.5 million mortgage loan (the "BlissCo Mortgage") with Blissco Holdings Ltd. The Blissco Facility provides the borrower with up to $4.5 million, to be drawn at its option, against qualifying receivables and inventory and matures 12 months from issuance with an option to extend for an additional 12 months. The Bliscco Mortgage is for a term of 12 months with an option to extend for an additional 12 months and is secured by a first-ranking perfected security interest in the assets of Blissco and is guaranteed by Blissco Cannabis Corp. Upon close, $1.5 million was advanced.

Henry's distribution agreement

On May 17, 2019, the Company announced that its exclusive distribution agreement with Henry's was discontinued.

Trichome RTO

On May 27, 2019 Trichome and 22 Capital received conditional approval from the TSX Venture Exchange regarding the Transaction. Shareholder meetings are expected to occur on July 4, 2019, or such other date as 22 Capital and Trichome may agree and in accordance with applicable law, to seek approval regarding various matters pursuant to the Transaction. The closing of the Transaction is expected to take place on or around July 5, 2019, or such other date as 22 Capital and Trichome may agree, subject to a number of conditions.

31. Definitive agreement with Cresco Labs ("Cresco Labs")

On April 1, 2019, the Company and Cresco Labs entered into a definitive agreement (the "Sale Agreement") under which Cresco Labs will acquire all the issued and outstanding shares of Origin House (the "Origin House Shares") (the "Transaction"). Under the terms of the Sale Agreement, holders of common shares of Origin House will receive 0.8428 subordinate voting shares of Cresco Labs (the "Cresco Labs Shares") for each Origin House Share (the "Exchange Ratio").

The Transaction represents total consideration of approximately $1.1 billion on a fully diluted basis, or $12.68 per Origin House Share, based on the Exchange Ratio and the closing price of Cresco Labs Shares on March 29, 2019, the last trading day prior to the announcement of the Transaction. The Origin House Share price was determined based on a 26% premium over the 30-day volume-weighted average price ("VWAP") of the Origin House Shares ending March 29, 2019.

On May 14, 2019, the Company filed its Management Information Circular in connection with a special shareholder meeting to consider the proposed arrangement with Cresco. The Transaction is subject to, among other things, CSE, Ontario court and certain other regulatory approvals and requires the approval of two-thirds of the votes cast by shareholders of Origin House at a special meeting expected to be held on June 11, 2019, as well as other customary closing conditions.