TRULIEVE CANNABIS CORP.

LISTING STATEMENT - FORM 2A

IN CONNECTION WITH THE LISTING OF THE SHARES OF TRULIEVE CANNABIS CORP. THE ENTITY FORMERLY KNOWN AS SCHYAN EXPLORATION INC. AFTER THE REVERSE TAKE-OVER BY TRULIEVE, INC.

Trulieve Cannabis Corp. derives all of its revenues from the cannabis industry in the State of Florida, which industry is illegal under United States federal law. Currently, Trulieve Cannabis Corp. (through its wholly-owned licensed subsidiary, Trulieve, Inc.) is directly engaged in the cultivation, possession, use, sale and distribution of medical cannabis in the State of Florida.

The United States federal government regulates drugs through the Controlled Substances Act (the "CSA"), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication.

In the United States cannabis is largely regulated at the state level. To the knowledge of Trulieve Cannabis Corp., there are a total of 29 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form, including the State of Florida. Nine states and Washington D.C. have legalized recreational cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, and the increasing number of states with legal recreational frameworks, cannabis continues to be categorized as a Schedule I controlled substance under the CSA and as such, violates federal law in the United States. Senators Elizabeth Warren and Cory Gardner have introduced a bipartisan Senate bill titled "Strengthening the Tenth Amendment Through Entrusting States (STATES) Act" that would lift the Controlled Substance Act's restrictions on cannabis in states that have written their own laws. However, there can be no assurances as to when this bill will pass, or if it will pass at all. The Supremacy Clause of the United States Constitution and United States federal laws made pursuant to it are paramount and in case of conflict between federal and state law in the United States, the federal law shall apply.

As a result of the conflicting views between state legislatures and the United States federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the "Cole Memorandum") addressed to all United States district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several US states had enacted laws relating to cannabis for medical and recreational purposes. The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that enacted laws legalizing cannabis in some form and that also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level.

In March 2017, newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the Cole Memorandum had merit; however, he disagreed that it had been implemented effectively and, on January 4, 2018, Attorney General Jeff Sessions issued a memorandum (the "Sessions Memorandum") that rescinded the Cole Memorandum. As a result of the Sessions Memorandum, federal prosecutors are free to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. Medical cannabis is currently protected against enforcement by enacted legislation from United States Congress in the form of the Rohrabacher-Blumenauer Amendment (also described as the Rohrabacher-Leahy Amendment, each as defined herein) which similarly prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding. See *United States Enforcement Proceedings* below. Due to the ambiguity of the Sessions Memorandum in relation to medical cannabis, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. See *Risk Factors – Cannabis is Illegal Under Federal United States Law and – United States Regulatory Uncertainty*.

In light of the uncertainty surrounding the treatment of United States cannabis-related activities, including the rescission of the Cole Memorandum, the Canadian Securities Administrators published a staff notice (Staff Notice 51-352) on February 8, 2018 setting out certain disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with United States cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the United States cannabis industry.

Please see the table of concordance under Trends, Commitments, Events or Uncertainties in Section 3.3 below for further information on the material facts, risks and uncertainties related to United States issuers with cannabis-related activities

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Cautionary Note Regarding Forward-Looking Statements

The information provided in this listing statement ("**Listing Statement**") may contain "forward-looking statements" about Schyan Exploration Inc. (the "**Corporation**"), Trulieve Cannabis Corp. (the "**Resulting Issuer**"), Trulieve, Inc. ("**Trulieve**") and a wholly-owned subsidiary of the Corporation ("**Subco**"). In addition, the Corporation, Trulieve or the Resulting Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Corporation, the Resulting Issuer or Trulieve that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Corporation, the Resulting Issuer or Trulieve that address activities, events or developments that the Corporation, the Resulting Issuer or Trulieve expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

(a) the performance of Trulieve's business and operations;
(b) the intention to grow the business and operations of Trulieve;
(c) expectations with respect to the renewal and/or extension of Trulieve's licenses;
(d) expectations of market size and growth in the United States and the State of Florida;
(e) the competitive conditions of the industry, the applicable laws, regulations and any amendments thereof;
(f) the competitive and business strategies of Trulieve;
(g) Trulieve's operations in the United States, the characterization and consequences of those operations under federal law, and the framework for the enforcement of medical and recreational cannabis and cannabis-related offenses in the United States;
(h) the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and
(i) other risks described in this Listing Statement and described from time to time in documents filed by the Corporation, Trulieve, or the Resulting Issuer with Canadian securities regulatory authorities.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, with respect to expectations and assumptions concerning: (i) receipt of required shareholder and regulatory approvals; (ii) receipt and/or maintenance of required licenses and third party consents; and (iii) the success of the operations of the Resulting Issuer. Although the Corporation and Trulieve believe that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the dependence on management and directors; risks relating to the receipt of the required licenses, risks relating to laws and regulations applicable to the production and sale of cannabis; and other factors beyond the Corporation and Trulieve's control, as more particularly described under the heading "*Risk Factors*" in this Listing Statement. Consequently, all forward-looking statements made in this Listing Statement and other documents of the Corporation, the Resulting Issuer or Trulieve, as applicable, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Corporation, the Resulting Issuer or Trulieve. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Corporation, the Resulting Issuer, Trulieve and/or persons acting on their behalf may issue. None of the Corporation, the Resulting Issuer or Trulieve undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. Trulieve believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, Trulieve has not independently verified any of the data from third-party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Currency

Unless otherwise indicated, all references to "$" or "US$" in this Listing Statement refer to United States dollars and all references to "C$" in this Listing Statement refer to Canadian dollars.

Information Concerning Trulieve

The information contained or referred to herein relating to Trulieve has been furnished by Trulieve, without independent verification by the Corporation. In preparing this Filing Statement, the Corporation has relied upon Trulieve to ensure that this Filing Statement contains full, true and plain disclosure of all material facts relating to Trulieve.

1. GLOSSARY OF TERMS

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

"**Affiliate**" means a corporation that is affiliated with another corporation as described below. A corporation is an "**Affiliate**" of another corporation if:

(a) one of them is the subsidiary of the other; or
(b) each of them is controlled by the same Person.

A corporation is "**controlled**" by a Person if:

(a) voting securities of the Corporation are held, other than by way of security only, by or for the benefit of that Person; and
(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Corporation.

A Person beneficially owns securities that are beneficially owned by:

(a) a corporation controlled by that Person; or
(b) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person.

"**Agency Agreement**" means the agency agreement dated as of August 27, 2018 among Trulieve and the Agents in respect of the SR Offering.

“**Agents**” has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – The Financing.*

“**Agents’ Expenses**” has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – The Financing*.

“**Agency Fee**” has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – The Financing*.

“**Amalco**” has the meaning ascribed thereto in Section 3.1 *General Development of the Business – The Transaction*.

“**Associate**” when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; or
- (d) in the case of a Person who is an individual:
  - (i) that Person’s spouse or child, or
  - (ii) any relative of the Person or of his spouse who has the same residence as that Person.

“**Board**” has the meaning ascribed thereto in Section 9 *Options to Purchase Securities*.

“**Broker Warrants**” has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – SR Offering.*

“**CBD**” means cannabidiol, a cannabis compound.

“**Cole Memorandum**” has the meaning ascribed thereto in Section 17 *Risk Factors.*

“**common shares**” in respect of the Resulting Issuer refer to Subordinate Voting Shares.

“**Controlled Substances Act**” has the meaning ascribed thereto in Section 3.3 *Trends, Commitments, Events or Uncertainties – Regulation of Cannabis in the United States Federally*.

“**Conversion Ratio**” has the meaning ascribed thereto in Section 10 *Description of the Securities*

“**Corporation**” or “**Schyan**” means Schyan Exploration Inc./Exploration Schyan Inc., prior to the Transaction.

“**Corporation’s Board of Directors**” means the board of directors of the Corporation.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Policies**” means the rules and policies of the CSE in effect as of the date hereof.

“**Definitive Agreement”** means the business combination agreement entered into among the Corporation, Subco and Trulieve on September 11, 2018.

“**Department**” has the meaning ascribed thereto in Section 3.1 – *General Development of the Business*.

“**Escrow Agent**” means Odyssey Trust Company.

“**Escrowed Funds**” has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – The Financing.*

“**Escrow Release Conditions**” means the following collectively:

(a) the Definitive Agreement regarding the Transaction shall have been entered into by the Corporation, Trulieve and Subco on terms acceptable to the Co-Lead Agents, acting reasonably;
(b) the completion or satisfaction by the Corporation and Trulieve of all conditions precedent to the Transaction in accordance with the terms of the Definitive Agreement, without amendment or waiver, unless such amendment or waiver is acceptable to the Co-Lead Agents, acting reasonably;
(c) the Subordinate Voting Shares being approved for listing on the CSE;
(d) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Transaction;
(e) Trulieve shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the Agency Agreement, except (in the case of the Agency Agreement only) for those breaches or defaults that have been waived by the Co-Lead Agents and all conditions set out in the Agency Agreement shall have been fulfilled, which shall all be confirmed to be true in a certificate of a senior officer of Trulieve; and
(f) the delivery of the release certificate to the Escrow Agent in accordance with the terms of the Subscription Receipt Agreement.

“**FDA**” means the United States Federal Drug Administration.

“**FinCEN**” has the meaning ascribed thereto in Section 17 *Risk Factors*.

“**Initial Holders**” means Kim Rivers, Ben Atkins, Thad Beshears, Telogia Pharm, LLC, KOPUS, LLC and Shade Leaf Holding LLC.

“**Inversion Conditions**” has the meaning ascribed thereto in Section 17 *Risk Factors.*

“**ITA**” means the *Income tax Act* (Canada).

"**Listing Statement**" means this listing statement of the Corporation, including the schedules hereto, prepared in support of the listing of the Subordinate Voting Shares on the CSE.

“**MMTC**” has the meaning ascribed thereto in Section 3.1 – *General Development of the Business*.

“**Multiple Voting Shares**” has the meaning ascribed thereto in Section 10 *Description of the Securities*

“**NEO**” means a Named Executive Officer as such term is defined in Form 51-102F6 – *Statement of Executive Compensation* under National Instrument 51-102 – *Continuous Disclosure*.

“**New Stock Option Plan**” has the meaning ascribed thereto in Section 9 *Options to Purchase Securities*.

“**Options**” has the meaning ascribed thereto in Section 9 *Options to Purchase Securities.*

“**Participants**” has the meaning ascribed thereto in Section 9 *Options to Purchase Securities.*

“**Person**” means any individual, corporation, Corporation, partnership, unincorporated association, trust, joint venture, governmental body or any other legal entity whatsoever.

“**Related Person**” has the meaning attributed to it in the CSE Policies.

“**Resulting Issuer**” means Trulieve Cannabis Corp., the entity formerly known as Schyan Exploration Inc., after the reverse takeover by Trulieve.

“**Sessions Memorandum**” has the meaning ascribed thereto in Section 17 *Risk Factors.*

"**Share Split**" has the meaning ascribed thereto in Section 3.1 – *General Development of the Business*.

"**SKUs**" means stock keeping units.

"**SR Offering**" has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – SR Offering.*

"**SR Offering Price**" has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – SR Offering.*

"**Subscription Receipt**" means the subscriptions receipts of Trulieve issued pursuant to the SR Offering.

"**Subscription Receipt Agreement**" has the meaning ascribed thereto in Section 4 – *Narrative Description of the Business – SR Offering*.

"**Super Voting Shares**" has the meaning ascribed thereto in Section 10 *Description of the Securities*

"**Subco**" means Schyan Sub, Inc., a wholly-owned subsidiary of the Corporation which will amalgamate with Trulieve pursuant to the Transaction.

"**Subordinate Voting Shares**" has the meaning ascribed thereto in Section 10 *Description of the Securities.*

"**THC**" means tetrahydrocannabinol, a compound found in the resin secreted by glands of the marijuana plant.

"**Trulieve Shareholders' Agreement**" means the shareholders' agreement of Trulieve dated April 11, 2016, as amended;

"**Trulieve Shares**" means the issued and outstanding shares of common stock of Trulieve, prior to the closing of the Transaction.

"**United States**" and "**U.S**." means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**U.S. Residents**" means residents of the United States as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act of 1934, as amended.

"**U.S. Tax Code**" has the meaning ascribed thereto in Section 17 *Risk Factors*.

2. CORPORATE STRUCTURE

2.1 Corporate Name and the Address of Head and Registered Office

The registered and head office of the Corporation is 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1.

The registered and head office of Trulieve is 6749 Ben Bostic Road, Quincy, Florida 32351.

Upon completion of the Transaction, the head office of the Resulting Issuer will be located at 6749 Ben Bostic Road, Quincy, Florida 32351. The registered office of the Resulting Issuer will be located at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7.

2.2 Jurisdiction of Incorporation

The Corporation

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on September 17, 1940. Since 2008, the Corporation changed its name from “Bandolac Mining Company” to “Schyan Exploration Inc. / Exploration Schyan Inc. on October 29, 2008.

At the annual and special meeting of the Schyan shareholders held on August 15, 2018 (the “**Schyan Meeting**”), and in connection with the Transaction, the Corporation received approval to continue the company into the jurisdiction of British Columbia. The Corporation filed articles of continuance pursuant to the *Business Corporations Act* (British Columbia) (the “**BCBCA”)** and completed the continuance on September 19, 2018 (the “**Continuance**”). The Corporation filed articles of amendment on September 19, 2018 for the amendment to the articles of the Corporation providing for the re-designation of the common shares of the Corporation as the Subordinate Voting Shares and the amendment of their terms, and the creation of the Super Voting Shares and the Multiple Voting Shares on completion of the Transaction (the “**Share Structure Amendment**”). The Corporation filed articles of amendment on September 19, 2018 to complete the name change of the Corporation to “Trulieve Cannabis Corp.” in connection with the Transaction (the “**Name Change**”).

On September 11, 2018, the Corporation incorporated Subco pursuant to the laws of Florida for the sole purpose of effecting the amalgamation between Subco and Trulieve in connection with the Transaction.

Trulieve

Trulieve was formed on January 25, 1990 in the State of Georgia as a Georgia corporation under the name “George Hackney, Inc.”.

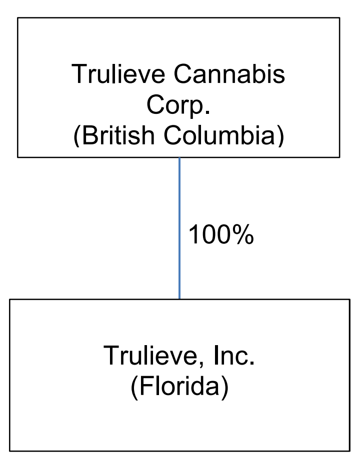
By Certificate of Domestication for a Georgia Corporation to a Florida Corporation filed June 11, 2018, Trulieve became a Florida corporation.

By Change Amendment dated July 18, 2018, Trulieve changed its name to “Trulieve, Inc.”

By Articles of Amendment dated August 27, 2018, Trulieve increased the authorized share capital of Trulieve to 25,000,000 Trulieve Shares and 20,000 shares of preferred stock with a par value of $0.001 per share.

2.3 Intercorporate Relationships

The organizational chart for the Resulting Issuer setting out the material subsidiaries following the closing of the Transaction is set forth below. Unless otherwise noted, all information presented on the Resulting Issuer assumes the closing of the Transaction.



2.4 Requalification Following a Fundamental Change

See Item 3.1 – *General Description of the Business – The Transaction*.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada

This section is not applicable.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

The Corporation

Schyan Exploration Inc. was incorporated in Canada under the *Business Corporations Act* (Ontario) on September 17, 1940 and has carried on business in one segment, being the acquisition, exploration and development of mineral properties in Canada.

During the last three years the Corporation focused on the exploration of its Casino property in the town of Cadillac, Quebec. The Casino property is made up of one block of 39 claims totaling 1,665 ha and lies 8 km NE of the town of Cadillac, Quebec. A two-hole diamond drill program was completed on the property between September 5th and November 22nd, 2016. The two diamond drill holes completed in 2016 on the Casino property intersected near distal horizons in a Volcanic Massive Sulphide environment lateral to any economic mineralized areas. No work has been done on the property since 2016.

Since 2016, Schyan has been looking to acquire another business or enter into a transaction to add value for its shareholders and other than in connection with the Transaction does not expect any changes to its business to occur in the current financial year.

As at December 31, 2017, the Corporation had a working capital deficiency of C$351,628, had not yet achieved profitable operations, had accumulated losses of C$919,584 and expected to incur future losses in the development of its business, all of which represented material uncertainties which cast substantial doubt about the Corporation's ability to continue as a going concern.

On June 19, 2018, the Corporation entered into a non-binding letter of intent with Trulieve that formed the basis of the Definitive Agreement pursuant to which Trulieve and the Corporation have agreed to merge and form the Resulting Issuer and to work together to list the Subordinate Voting Shares on the CSE.

On August 15, 2018, the Corporation held the Schyan Meeting. At the Schyan Meeting the Corporation approved the following matters in connection with the Transaction:

- the appointment of MNP LLP as the auditors of the Resulting Issuer to hold office following completion of the Transaction and to authorize the directors of the Resulting Issuer to fix the remuneration of such auditors;
- the adoption of the New Stock Option Plan, effective following the completion of the Transaction;
- the Name Change to Trulieve Cannabis Corp. on completion of the Transaction;
- the Share Structure Amendment on completion of the Transaction; and
- the Continuance.

See the information circular filed on the Corporation's SEDAR profile and available at www.sedar.com.

Trulieve

Trulieve was incorporated as a Georgia Corporation under the name “George Hackney, Inc.” on January 25, 1990. On June 11, 2018, Trulieve re-domesticated to Florida with the Florida Division of Corporations pursuant to Florida Statute 607.1801. On July 18, 2018, Trulieve changed its name to “Trulieve, Inc.” On August 27, 2018, Trulieve increased its authorized share capital to 25,000,000 Trulieve Shares and 20,000 shares of preferred stock with a par value of $0.001 per share. On September 11, 2018, Trulieve approved a reclassification of the issued and outstanding share capital of Trulieve (the “**Share Split**”) whereby each issued and outstanding Trulieve Share will be split and became 150 Trulieve Shares such that there will be 986,835 Trulieve Shares issued and outstanding prior to the satisfaction of the Escrow Release Conditions.

Trulieve has been registered as a nursery in the State of Florida since June 2, 1981. On November 23, 2015, Trulieve was awarded a license to operate in the State of Florida as a Medical Marijuana Dispensing Organization. Trulieve filed a fictitious name with the Florida Division of Corporations for the name “Trulieve” on March 20, 2016 and changed its name to “Trulieve, Inc.” on July 18, 2018. Pursuant to current law, Trulieve is now considered a Medical Marijuana Treatment Center (“**MMTC**”) in the State of Florida.

Trulieve is licensed to produce and sell medical cannabis in the State of Florida through the Florida Department of Health, Office of Medical Marijuana Use (the “**Department**”). The Department issued a license to Trulieve (the “**License**”) on November 23, 2015. For a further description of Trulieve’s License, see *General Development of the Business – License, Description of the Business – License and Regulations* and *Regulatory Overview*.

Trulieve is a vertically integrated “seed to sale” company and is the first and largest fully licensed medical marijuana company in the State of Florida. Trulieve cultivates and produces all of its products in-house and distributes those products to Trulieve branded stores (dispensaries) throughout the State of Florida, as well as directly to patients via home delivery.

Trulieve operates approximately 468,000 square feet of total cultivation facilities with an estimated 95,420 square feet to be added in 2018. Potencies range from 18% to 32% THCA on THC producing varietals and 8% to 15% CBDA on CBD producing varietals.

Trulieve operates a GMP certified processing facility and has an estimated 55,000 square feet processing facility currently under construction which is expected to be completed in 2018. Trulieve produces over 80 different SKUs, including nasal sprays, capsules, concentrates, syringes, cannabis flower in tamper-proof containers for vaporizers (in compliance with Florida law), topical creams, tinctures and vape cartridges.

Trulieve has 83,000 unique customers as of August 2018 and distributes its products to these customers in Trulieve branded retail stores or home delivery. Trulieve currently operates 16 stores throughout the State of Florida and initiated Florida’s first next-day, state-wide delivery program. Patients are further served by a Clearwater-based call center which receives up to 2,000 calls per day.

Timeline of Approvals and Store Openings

The following is a timeline summarizing the evolution of Trulieve’s dispensary operations to date.

- February 25, 2016 Trulieve is approved to begin cultivation activities.
- July 19, 2016 Trulieve is approved to begin processing activities.
- July 20, 2016 Trulieve is approved to begin dispensing products.
- July 23, 2016 Trulieve is first to market, selling the first medical marijuana products in Florida via home delivery.

- July 26, 2016 Trulieve is first to market to open a dispensary in Florida. The first dispensary is located in Florida's capitol city Tallahassee, Florida[1].
- August 18, 2016 Trulieve opens dispensary in Clearwater, Florida[1]
- January 26, 2017 Trulieve opens dispensary in Tampa, Florida[1]
- April 5, 2017 Trulieve opens dispensary in Pensacola, Florida[1]
- April 19, 2017 Trulieve opens dispensary in Miami, Florida
- June 8, 2017 Trulieve opens dispensary in Edgewater, Florida[1]
- June 13, 2017 Trulieve opens dispensary in Lady Lake, Florida[1]
- July 12, 2017 Trulieve opens dispensary in Jacksonville, Florida[1]
- July 19, 2017 Trulieve opens dispensary in St Petersburg, Florida[1]
- September 19, 2017 Trulieve opens dispensary in Bradenton, Florida[1]
- October 27, 2017 Trulieve opens dispensary in Gainesville, Florida
- November 14, 2017 Trulieve opens dispensary in Ft Myers, Florida[1]
- November 28, 2017 Trulieve opens dispensary in Orlando, Florida
- April 12, 2018 Trulieve opens dispensary in Vero Beach, Florida
- June 6, 2018 Trulieve opens dispensary in New Port Richey, Florida[1]
- August 21, 2018 Trulieve opens dispensary in Dadeland, Florida.

Below is a listing of the current Trulieve dispensary locations, the date each location opened and the square footage of each location:

Location	Address	Opening Date	Dispensary Square Footage
Tallahassee	800 Capital Circle Southwest Tallahassee, FL 32301	July 26, 2016	2,800
Clearwater	24761 US Hwy 19 N Clearwater, FL 33763	August18, 2016	2,105
Tampa	8701 Dale Mabry Tampa, FL	January 26, 2017	2,832

[1] Denotes locations where Trulieve opened the first dispensary in the area.

Pensacola	3119 N Davis Highway Pensacola, FL 32503	April 5, 2017	2,946
Miami	4020 NW 26 St Miami, FL 33142	April 19, 2017	1,108
Edgewater	103 Boston Rd Edgewater, FL 32141	June 8, 2017	1,155
Lady Lake - Villages	Oakland Hills Professional Center 13940 US-441, Unit 601 Lady Lake, FL 32159	June13, 2017	1,500
Jacksonville	6259 Beach Blvd Jacksonville, FL 32216	July 12, 2017	2,550
St. Petersburg	8435 4th St. St. Petersburg, FL	July 19, 2017	2,421
Bradenton	1103 W 14th St. Bradenton, FL 34205	September 19, 2017	1,500
Gainesville	1527 NW 6th St Gainesville, FL 32601	October 27, 2017	1,832
North Ft. Myers	13971 N Cleveland Ave #16 North Fort Myers, FL 33903	November 14, 2017	2,064
Orlando	4544 N Orange Blossom Trail Orlando, FL 32804	November 28, 2017	3,000
Vero Beach	1814 Commerce Ave Vero Beach, FL 32960	April 12, 2018	1,225
New Port Richey	5623 US-19 #111 New Port Richey, FL 34652	June 6, 2018	2,400
Dadeland	9600 SW 77th Avenue Dadeland, FL 33156	August 21, 2018	1,800

Financing Activities

In April 2016, Trulieve issued a $1,000,000 promissory note (the “**2016 Note**”) to George Hackney, a director and shareholder of Trulieve, to finance the acquisition of certain tradename and professional reputation necessary to obtain its initial medical cannabis licenses. The 2016 Note matures in April 2026 and bears interest at an annual rate of 8%. During 2017, $448,391 principal amount of the 2016 Note was converted into 328.90 Trulieve Shares with a fair value of $1,216,930 which resulted in an additional loss on settlement of $768,639. The remaining balance of the 2016 Note plus accrued interest was repaid by Trulieve in April 2018.

In April 2016, Trulieve issued a $5,000,000 convertible note (the “**CTC Note**”) to Coast to Coast Management LLC (“**C2C**”), an entity controlled by a member of management and a shareholder of Trulieve. During the year ended December 31, 2017, Trulieve and C2C determined that $375,000 of the principal amount of the CTC Note was a license fee and such amount was recognized as revenue by Trulieve. The remaining principal amount of the CTC Note was converted into 1,250 Trulieve Shares in November, 2017.

During the years ended December 31, 2016 and 2017, Trulieve entered into various lines of credits with C2C and other entities controlled by members of management and shareholders of Trulieve to finance the buildout of various Trulieve dispensary locations. Each line of credit bears 8% annual interest and, depending on the amount, matures between one to three years from initial drawdown. As at June 30, 2018, an aggregate of $2,404,963.93 remains outstanding under these lines of credit.

In April 2017, Trulieve issued a $3,999,999 promissory note to Shelter Rock Capital Advisors, LLC (the "**Shelter Rock Note**"). The Shelter Rock Note matures in January 2019 and bears interest at an annual rate of 12%. Benjamin Atkins, a directors of Trulieve, provided a guarantee of the Shelter Rock Note and, in consideration for such guarantee, Trulieve granted a mortgage in the amount of $3,999,999 in favour of Mr. Atkins.

In September 2017, Trulieve issued a $1,300,000 promissory note to a shareholder of Trulieve (the "**Beshears Note**"). The Beshears Note matures in January 2018 and bears interest at an annual rate of 12%. The 2017 Note was rolled into a subsequent financing and exchanged for 2018 Notes.

In November 2017, Trulieve issued a $1,844,596 promissory note to Inkbridge, LLC (the "**Inkbridge Note**"), an entity controlled by the Company's Chief Executive Officer. The Inkbridge Note bears interest at an annual rate of 12% and matures in November, 2019. The Inkbridge Note was rolled into a subsequent financing and exchanged for 2018 Notes.

In December 2017, Trulieve issued a $2,000,000 promissory note (the "**Vandagraff Note**") to Vandagraff One, LLC pursuant to the terms of a loan and security agreement dated as of December 7, 2017. The Vandagraff Note bears interest at an annual rate of 12% and matures in December, 2019.

In January, 2018, Trulieve issued a $6,000,000 promissory note (the "**Track V Note**") to Track V, LLC pursuant to the terms of a loan and security agreement dated as of January 11, 2018. The Track V Note matures in January, 2020 and bears interest at an annual rate of 12%. Trulieve is to make monthly interest payments to the lender and all outstanding principal and any unpaid accrued interest is due and payable, in full, on maturity. If Trulieve lists its securities on a foreign or domestic exchange, the Track V Note is to become due and payable within 90 days of such listing. In connection with the Track V Note financing, shareholders of Trulieve agreed to dilute their share ownership by 1% and to transfer Trulieve Shares to certain individuals representing the holder of the Track V Note as a cost of raising the funds.

In March, April and May 2018, Trulieve issued three separate promissory notes (the "**Clearwater GPC, Traunch 4 and Rivers Notes**") in an aggregate principal amount of $18,000,000. Each of the Clearwater GPC, Traunch 4 and Rivers Notes has a 24 month maturity and bears interest at a rate of12% per annum. In connection with the Clearwater GPC, Traunch 4 and Rivers Note financing, shareholders of Trulieve agreed to dilute their share ownership by 3.0% (1% respectively, per Clearwater, GPC, Traunch 4 and Rivers Note) and to transfer Trulieve Shares to certain individuals representing the holders of the Clearwater GPC, Traunch 4 and Rivers Notes as a cost of raising the funds.

The Transaction

Trulieve entered into the Definitive Agreement with the Corporation and Subco to effect a reverse merger under Florida law whereby Trulieve and Subco merged, Trulieve became a wholly-owned subsidiary of the Corporation, and the shareholders of Trulieve (including former holders of the Subscription Receipts) in exchange for such shares, will receive, Super Voting Shares, Multiple Voting Shares and/or Subordinate Voting Shares of the Corporation.

Concurrently with the closing of the Transaction the Subordinate Voting Shares of the Corporation will be listed for trading on the CSE. Upon completion of the Transaction (the "**Effective Date**"), the Corporation, will change its name to "Trulieve Cannabis Corp."

SR Offering

In connection with the Transaction, Trulieve completed the SR Offering for gross proceeds of $65,565,500. Each Subscription Receipt entitles the holder thereof to receive, without payment of any additional consideration or further action, and subject to adjustment, one Trulieve Share upon satisfaction or waiver of the Escrow Release Conditions. The gross proceeds from the sale of the Subscription Receipts, less (i) the Agents' Expenses accrued at that time (including legal fees, disbursements and applicable taxes), and (ii) 50% of the Agency Fee were deposited into escrow on the closing of the SR Offering with the Escrow Agent and invested in an interest bearing account pursuant to the terms and conditions of the Subscription Receipt Agreement. The remaining balance of the Agency Fee and any remaining Agents' Expenses accrued at the time the Escrowed Funds are released from escrow will be released to the Agents out of the Escrowed Funds and the balance of Escrowed Funds will be released from escrow to Trulieve upon the satisfaction of the Escrow Release Conditions. The Trulieve Shares issued upon exercise of the Subscription Receipts will be exchanged for Subordinate Voting Shares of the Corporation pursuant to the Transaction.

3.2 Significant Acquisitions or Dispositions

This section is not applicable.

3.3 Trends, Commitments, Events or Uncertainties

In accordance with the Canadian Securities Administrators Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities* ("**Staff Notice 51-352**"), the following is a table of concordance intended to assist readers in identifying those parts of this Listing Statement that address the disclosure expectations outlined in Staff Notice 51-352.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Listing Statement Cross Reference
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	*Section 3.3 – Trends Commitments, Events or Uncertainties* *Section 4 – Narrative Description of the Business*
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	*Cover Page (disclosure in bold typeface)*
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	*Section 3.3 – Trends, Commitments, Events or Uncertainties – Regulation of Cannabis in the United States Federally* *Section 17 – Risk Factors – Cannabis is Illegal under U.S. Federal Law* *Section 17 – Risk Factors – United states Regulatory Uncertainty*
	Outline related risks including, among others, the risk that third-party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the	*Section 17 – Risk Factors – Money Laundering and Access to Banking*

	issuer's ability to operate in the U.S.	*Section 17 – Risk Factors – U.S. state regulatory uncertainty* *Section 17 – Risk Factors – Heightened Scrutiny of Cannabis Companies in Canada* *Section 17 – Risk Factors – Intellectual Property Risks* *Section 17 – Risk Factors – Lack of access to U.S. bankruptcy protections* *Section 17 – Risk Factors – Contractual Risks* *Section 17 – Risk Factors – Risk of Civil Asset Forfeiture*
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.	*Section 4.1(1) – Narrative Description of the Business -- Total Funds Available* *Section 4.1(1) – Narrative Description of the Business – Ability to Access Public and Private Capital* *Section 17 – Risk Factors – Additional Financing*
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana-related activities.	*Section 5 – Selected Consolidated Financial Information* Schedules “B”, “D” and “E” to the Listing Statement. **Note: at the time of the Listing Statement, the major operations of the Resulting Issuer are only in the United States**
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	Legal advice has been obtained.
U.S. Marijuana Issuers	Outline the regulations for U.S. states in	*Section 3.3 – Trends,*

with direct involvement in cultivation or distribution	which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	*Commitments, Events or Uncertainties – Regulation of the Cannabis Market at State and Local Levels*
	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's license, business activities or operations.	*Section 3.3 – Trends Commitments, Events or Uncertainties – Regulatory Overview* *Section 3.3 – Trends, Commitments, Events or Uncertainties – Compliance with Applicable State Law in the United States* *Section 17 – Risk Factors – United States regulatory uncertainty*
U.S. Marijuana Issuers with indirect involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer's investee(s) operate.	Not applicable.
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any non-compliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's license, business activities or operations.	Not applicable.
U.S. Marijuana Issuers with material ancillary involvement	Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	Not applicable.

Regulatory Overview

In accordance with Staff Notice 51-352, below is a discussion of the federal and state-level United States regulatory regimes in those jurisdictions where Trulieve is currently directly engaged in the cultivation, extraction, possession, use, sale or distribution of cannabis in the medicinal cannabis marketplace in the State of Florida. In accordance with Staff Notice 51-352, the Resulting Issuer will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation. Any non-compliance, citations or notices of violation which may have an impact on Trulieve's license, business activities or operations will be promptly disclosed by Trulieve.

Regulation of Cannabis in the United States Federally

As of the January 16, 2018, the United States Supreme Court has ruled that the United States Congress has the power to regulate cannabis. The United States federal government regulates drugs through the CSA, which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. The Department of Justice defines Schedule 1 drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse." **The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication.**

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical marijuana under the Access to Cannabis for Medical Purposes Regulations, marijuana is largely regulated at the state level in the United States.

State laws regulating cannabis are in direct conflict with the CSA, which makes cannabis use and possession federally illegal. Although certain states and territories of the United States authorize medical or recreational cannabis production and distribution by licensed or registered entities, under federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under the CSA. Although Trulieve's activities are compliant with applicable Florida state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve Trulieve of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against Trulieve.

The risk of federal enforcement and other risks associated with the Resulting Issuer's business are described in *Item 17 – Risk Factors*.

Operational Foundation in Florida

Trulieve intends to continue to focus on penetrating the Florida cannabis market with plans to open an additional 14 stores in Florida by January 2019. In addition, Trulieve is focused on leveraging its manufacturing and retail expertise to expand into other states.

Trulieve is targeting retail locations in Florida with high concentrations of authorized physicians and potential patients. Ideal locations also provide distribution efficiencies with proximity to key highways or other thoroughfares. Since Trulieve has been delivering products to patients state-wide since inception, Trulieve has amassed data from existing patients which provides critical intelligence on where current Trulieve patients live and associated drive-times to dispensary locations, further informing expansion decisions. Utilizing this matrix, Trulieve has identified locations for Trulieve's next 14 locations and will endeavour to open these locations within the next 12 months.

Entry to Other Markets

In addition to retaining its position as the Florida leader, Trulieve is proposing to bring the Trulieve brand experience to additional states in the United States. Trulieve will focus on opportunities where Trulieve's expertise in product development, patient acquisition and patient service can be leveraged to create scale. By focusing on markets where there is little to no true brand experience, Trulieve believes it can quickly penetrate new markets by bringing its branded product line and consistent store experience, as well as patient and physician-focused resources, into other states.

Regulation of the Medical Cannabis Market in Florida

In 2014, the Florida Legislature passed the Compassionate Use Act (the "**CUA**") which was a low-THC (CBD) law, allowing cannabis below 0.8%THC to be sold to patients diagnosed with severe seizures or muscle spasms and cancer. The CUA created the competitive licensing structure and originally allowed for one vertically-integrated license to be awarded per five regions of the State. The CUA set forth the criteria for applicants as well as the minimum qualifying criteria which included the requirement to hold a nursery certificate for a minimum of 400,000 plants and to be a registered nursery for at least 30 continuous years. The CUA also created a state registry to track dispensations.

In 2016, the Florida Legislature passed the Right to Try Act (the "**RTA**"), which expanded the State's medical cannabis program to allow for full potency THC products to be sold as "medical cannabis" to patients with a terminal condition that had been diagnosed by two physicians.

in November of 2016, the Florida Medical Marijuana Legalization ballot initiative (the "**Initiative**") to expand the medical cannabis program under the RTA with the approval of 71.3% of the voters, thereby amending the Florida constitution. The Initiative added 10 medical conditions to the list of conditions for which medical cannabis is permitted in Florida. The Initiative also provided for the implementation of state-issued medical cannabis identification cards.

In 2017, the Florida Legislature passed legislation implementing a constitutional amendment pursuant to the Initiative and codified the changes set forth in the constitution. The law provides for another four licenses to be issued for every 100,000 patients, added to the registry and limited license holders to a maximum of 25 store locations with the ability to purchase locations from one another and for an additional five locations to be allowed by the State for every 100,000 patients added to the licensed entity's registry.[2]

As of August 24, 2018, there were 153,884 registered patients in the State of Florida, 14 approved MMTCs (of which three hold only cultivation licenses and one holds none of the required approvals) and 51 approved retail dispensing locations. Trulieve operates 16 of these dispensing locations.

Trulieve License

Trulieve is vertically licensed as an MMTC. Under Florida law, a license is required to cultivate, process and dispense medical cannabis. Licenses are issued by the Department and may be renewed biennially. Trulieve received its most recent license renewal on June 13, 2018.

In Florida, there is no state-imposed limitation on the permitted size of cultivation or processing facilities, nor is there a limit on the number of plants that may be grown. Smokable flower is not permitted to be sold under Florida law, however cannabis flower can be sold in a tamper-proof container intended for vaporizing. Trulieve has developed and is selling a product that meets this requirement.

Under its license, Trulieve is permitted to sell cannabis to those patients who are entered into the State's electronic registry by a qualified physician and possess a state-issued medical marijuana identification card. The physician determines patient eligibility as well as the routes of administration (e.g. topical, oral, inhalation) and number of milligrams per day a patient is able to obtain under the program. The physician order is valid for 70 days, following which the order expires and a new order must be issued by a physician. The number of milligrams dispensed, the category of cannabis (either low-THC or medical cannabis) and whether a delivery device such as a vaporizer has been authorized is all recorded in the registry for each patient transaction.

Trulieve is authorized to sell a variety of products and currently offers over 80 SKUs in various product categories for sale. Edible products were authorized by the Florida Legislature in 2017 pending rulemaking by the Department. The Department has held workshops regarding edibles but has not yet drafted the contemplated regulations. Hydrocarbon extracted products are also contemplated in the 2017 law and are awaiting rulemaking by the Department.

Dispensaries may be located in any location throughout the State of Florida as long as the local government has not issued a prohibition against MMTC dispensaries locating in their respective locality.

[2] Trulieve has filed litigation to challenge the 25 location limitation. Trulieve is claiming that locations open and/or applied for prior to the law going into effect should be grandfathered and should not count against the 25-store limitation. The case trial occurred on Aug 27, 2018 and a verdict is pending.

Provided there is not a ban, Trulieve may locate a dispensary in a site zoned for a pharmacy so long as the location is greater than 500 feet from a church or school. Pursuant to Florida Statute 2017 381.986, the State provides for a limitation of 25 dispensary locations per MMTC with an additional five locations per MMTC authorized once the MMTC's patient registry reaches 100,000 patients. Prior to the 2018 amendment of the Florida constitution, the number of locations an MMTC could open was not limited. Trulieve has filed a claim in the Court for the Second Judicial Circuit in Leon County (the "**Court**") asking the Court to disregard the dispensary locations Trulieve had open and/or applied for prior to the 2018 limitation becoming effective. This matter is currently pending Court review. Trulieve currently has 16 approved dispensaries operating in the State of Florida.

In addition, Trulieve's license allows Trulieve to deliver products directly to patients. Trulieve provides statewide delivery of its products and has offered the service since 2015.

Florida Reporting Requirements

The Department requires that any licensee establish, maintain, and control a computer software tracking system that traces cannabis from seed to sale and allows real-time, 24-hour access by the Department to such data. The tracking system must allow for integration of other seed-to-sale systems and, at a minimum, include notification of certain events, including when marijuana seeds are planted, when marijuana plants are harvested and destroyed and when cannabis is transported, sold, stolen, diverted, or lost. Additionally, the Department also maintains a patient and physician registry and the licensee must comply with all requirements and regulations relative to the provision of required data or proof of key events to said system in order to retain its license. Florida requires all MMTCs to abide by representations made in their original application to the State of Florida. Any changes or expansions must be requested via an amendment or variance process.

Florida Licensing Requirements

Licenses issued by the Department may be renewed biennially so long as the licensee meets requirements of the Florida Statute 381.986 and pays a renewal fee. License holders can only own one license within the State of Florida and MMTC's can operate up to a maximum of 25 dispensaries throughout the State. Applicants must demonstrate (and licensed MMTC's must maintain) that: (i) they have been registered to do business in the State of Florida for the previous five years, (ii) they possess a valid certificate of registration issued by the Florida Department of Agriculture, (iii) they have the technical and technological ability to cultivate and produce cannabis, including, but not limited to, low-THC cannabis, (iv) they have the ability to secure the premises, resources, and personnel necessary to operate as an MMTC, (v) they have the ability to maintain accountability of all raw materials, finished products, and any by-products to prevent diversion or unlawful access to or possession of these substances, (vi) they have an infrastructure reasonably located to dispense cannabis to registered qualified patients statewide or regionally as determined by the Department, (vii) they have the financial ability to maintain operations for the duration of the two-year approval cycle, including the provision of certified financial statements to the Department, (viii) all owners, officers, board members and managers have passed a Level II background screening, inclusive of fingerprinting, and ensure that a medical director is employed to supervise the activities of the MMTC, and (ix) they have a diversity plan and veterans plan accompanied by a contractual process for establishing business relationships with veterans and minority contractors and/or employees. Upon approval of the application by the Department, the applicant must post a performance bond of up to US $5 million, which may be reduced to US $2 million once the licensee has served 1,000 patients (which Trulieve has accomplished).

<u>Compliance with Applicable State Law in the United States</u>

Trulieve is classified as having a "direct" involvement in the United States cannabis industry and is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Florida. Trulieve is not subject to any citations or notices of violation with applicable licensing requirements and the regulatory framework enacted by the state of Florida which may have an impact on its licenses, business activities or operations.

Trulieve has state and local regulatory/compliance counsel engaged in every jurisdiction in which it operates. Trulieve oversees training for all employees, including on the following topics:

- compliance with state and local laws
- dispensing procedures
- security and safety policies and procedures
- inventory control
- quality control
- transportation procedures

Trulieve's training program emphasizes security and inventory control to ensure strict monitoring of cannabis and inventory from delivery to sale or disposal. Only authorized, properly trained employees are allowed to access Trulieve's computerized seed- to-sale system. All Trulieve facilities are monitored 24-hours a day, seven days a week. Trulieve's Director of Security monitors all security risks, both internal and external, to ensure patient and employee safety as well as to deter diversion. Trulieve's Director of Security oversees all security personnel including armed personnel at each dispensary location and at all processing and cultivation facilities.

Trulieve monitors all compliance notifications from the regulators and inspectors in each market, in an effort to resolve any issues identified on a timely basis. Trulieve keeps records of all compliance notifications received from the state regulators or inspectors and how and when the issue was resolved.

Further, Trulieve has created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and recordkeeping. Trulieve maintains records of its inventory at all licensed facilities. Adherence to Trulieve's standard operating procedures is mandatory and ensures that Trulieve's operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements. Trulieve ensures adherence to standard operating procedures by regularly conducting internal inspections and is committed to ensuring any issues identified are resolved quickly and thoroughly.

In January 2018, United States Attorney General Jeff Sessions rescinded the Cole Memorandum and thereby created a vacuum of guidance for enforcement agencies and the Department of Justice.[3] In order to comply with industry best practices, despite the rescission of the Cole Memo, Trulieve continues to do the following to ensure compliance with the guidance provided by the Cole Memorandum:

- Ensure the operations are compliant with all licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions. To this end, Trulieve retains appropriately experienced legal counsel to conduct the necessary due diligence to ensure compliance of such operations with all applicable regulations;

- The activities relating to cannabis business adhere to the scope of the licensing obtained

  – for example, in Florida only medical cannabis is permitted and therefore the products are only sold to patients who have the appropriate recommendation in the state registry and have a valid state-issued medical identification card;

- Trulieve only works through licensed operators, which must pass a range of requirements, adhere to strict business practice standards and be subjected to strict regulatory oversight whereby

[3] U.S. Dept. of Justice. (2013). *Memorandum for all United States Attorneys re: Guidance Regarding Marijuana Enforcement.* Washington, DC: US Government Printing Office.

sufficient checks and balances ensure that no revenue is distributed to criminal enterprises, gangs and cartels; and

- Trulieve conducts reviews of products and product packaging to ensure that the products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving

Trulieve will continue to monitor compliance on an ongoing basis in accordance with its compliance program and standard operating procedures. While Trulieve's operations are in full compliance with all applicable state laws, regulations and licensing requirements, such activities remain illegal under United States federal law. For the reasons described above and the risks further described in Section 17 below, there are significant risks associated with the business of Trulieve. Readers are strongly encouraged to carefully read all of the risk factors contained in *Item 17 – Risk Factors*.

4 Narrative Description of the Business

4.1(1) <u>Narrative Description of the Business</u>

<u>Business of Trulieve</u>

General Business of the Resulting Issuer

The below description of Trulieve will become the Resulting Issuer's business.

Trulieve is the first fully licensed medical cannabis company in Florida and the first company in the State to reach scale. Trulieve has capitalized on its first mover advantage by capturing on average 70% of all milligrams of cannabis dispensed in Florida per the Department as of July 27, 2018. Trulieve has 16 of the 51 dispensary locations currently operating throughout the State of Florida. Trulieve also services patients via home delivery service. Since opening, Trulieve has served over 60,000 unique patients.

As a vertically integrated company with a patient-first mantra, Trulieve has developed a suite of Trulieve branded products with over 80 SKUs, including flower in tamper proof containers for vaporizing, concentrates, topicals, capsules, tinctures, and vape cartridges. Trulieve branded products are distributed across the Trulieve store platform as well as via home delivery.

Headquartered in Quincy, Florida, Trulieve is focused on being the brand leader for quality medical cannabis products and service in Florida and beyond. Trulieve employs over 900 people and is committed to providing patients a consistent and welcoming retail experience across Trulieve branded stores. The ability to quickly scale and penetrate in all necessary business segments (cultivation, production, sales and distribution) gives Trulieve a unique ability to secure and maintain the position of market leader in Florida and to inject its expertise effectively into other regulated market opportunities.

SUMMARY OF OPERATING BUSINESS

Trulieve is a vertically-integrated company in a highly-regulated market with cultivation, processing, and distribution activities. Trulieve has developed proficiencies in each of these functions and is committed to utilizing predictive analytics which inform Trulieve in the areas of sales trends, patient demographics, new product launch criteria and capacity requirements and create the foundation upon which Trulieve has built sustainable, profitable growth.

Ownership of the entire supply chain mitigates potential third-party risks and allows Trulieve to completely control the quality of the product and the brand experience resulting in high patient retention and repeat customers. Trulieve successfully operates at scale the core business functions of cultivation, production and distribution. The Trulieve brand philosophy of patients permeates the Trulieve culture from the cultivation and production operations to the call center and into the stores.

Data Utilization to create Predictive Analytics

Trulieve collects and analyzes data throughout the entire seed to sale process of the enterprise. All strategic and tactical business decisions are driven by historical data coupled with predictive analytics to ensure the best possible solution is formulated and executed. Data collection systems are cloud based and backed up to ensure the utmost security and integrity of data repositories.

In its cultivation activities, Trulieve uses data analytics to record, monitor, communicate and optimize the yield potential of each harvest of cannabis by strain. Daily logs are recorded on a cloud-hosted database to capture such metrics as nutrient application, temperature, humidity, CO2 levels, light intensity, light duration, grow medium pH and grow medium Electro-Conductivity (EC) at various locations within each growing room. Trulieve considers these data sets as the harvest vitals that are continuously monitored to ensure peak performance of each strain maintained by Trulieve. At harvest, the cultivation log is paired with the room's daily log and analyzed against previous harvests of the same strain in an effort to ensure consistency of products.

All strain weights and potencies are recorded by batch and stored in the database. Trulieve uses this data to predict future yields and planning of future crop rotations to meet patient demands. The predictive analysis is completed in an effort to ensure Trulieve operates in an efficient manner to maximize the harvest output to cost ratio.

Trulieve also uses data analytics throughout the entire manufacturing process to monitor progress real-time, in an effort to ensure quality is maintained at the highest level and analyzed to maximize lean flow efficiency. Consistency is paramount to Trulieve and tracking of the recorded data assists in ensuring uniformity for all products shipped.

Once Trulieve's products are in Trulieve stores, each sales transaction is recorded, including details regarding patient demographics and product selection. The reports derived from the recorded information allows Trulieve to track and analyze, by retail location, sales trends, grams dispensed, products sold by subcategory, patient demographics and purchasing habits. Trulieve uses this data for regression and predictive analysis, for cultivation crop planning, final derivative product production planning and patient marketing. The data is also key in planning future cultivation, processing and retail expansion projects through the analysis of sales trends and patient purchasing habits, coupled with other outside data collection activities.

High-Yield Cultivation Facilities and Techniques

Trulieve transforms raw cannabis flower into the Trulieve portfolio of products sold in Trulieve stores. With a focus on scalable operations, Trulieve has detailed Standard Operating Procedures as well as robust training protocols across its cultivation facilities to grow a consistent, high quality product.

Trulieve currently operates 468,000 square feet of cultivation facilities across three sites. Per Florida law, Trulieve grows in enclosed structures operating both indoor and greenhouse style grows. Trulieve currently has the ability to grow 17,199 kg of cannabis annually. Trulieve has an additional 95,420 square feet of cultivation capacity under construction which Trulieve anticipates will be completed by December 31, 2018. Upon completion, Trulieve will have an additional 9,804 kg per year of capacity, for a total cultivation capacity of 27,005 kg per year. In addition, Trulieve is working to rapidly and substantially increase its greenhouse capacity. The ability to quickly execute and operate high-yield, scaled cultivation operations is critical in Florida as well as other vertical markets. Trulieve grows a variety of 45 cannabis flower strains and is poised for expansion if the State allows flower products for smoking. Continuing the Trulieve philosophy of standing behind the products Trulieve sells, Trulieve utilizes a third-party company to certify the genetic composition of each strain of cannabis Trulieve produces and provides the certified reports to patients and physicians.

Scaled, Quality Production

As a vertically-integrated company Trulieve produces 100% of the products sold in Trulieve stores. Currently, Trulieve extracts approximately 30,000 mg of active THC or CBD per week (depending on the product requirements) and manufactures (on average) 45,000 products for sale each week. Trulieve has successfully obtained Good Manufacturing Practices ("**GMP**") certification for its production facilities and has detailed Standard Operating Procedures and Quality Control measures in place in an effort to ensure quality products are delivered to Trulieve's patients.

Trulieve primarily utilizes super critical ethanol extraction systems and techniques for the majority of its products. Trulieve recently installed a carbon dioxide system and will be launching new products utilizing this technology over the next 120 days. Trulieve has purchased and is renovating a 55,000 square foot building to relocate its production and shipping activities, as well as to house a state of the art kitchen and hydrocarbon extraction facility in anticipation of edible and hydrocarbon cannabis products being permitted for sale by Florida regulators. It is anticipated this building will be complete in 2018.

Currently Trulieve manufactures, assembles, packages and ships products in a variety of market segments with over 80 SKUs. These product segments are as follows:

- Inhalation – 250 mg and 600 mg vape cartridges; Trulieve engineered flower containers for vaporization
- Oral – 10 mg and 50 mg capsules
- Sublingual – 500 mg CBD and 1:1 ratio tinctures
- Topical – 250 mg Lotion and Sunscreen with Muscle Rub product in development
- Inter-nasal – licensed inter-nasal spray product
- Concentrates – 800 mg TruPods and 850 mg TruClear and TruShatter concentrate products

Quality is paramount to Trulieve and its patients. Trulieve has a robust quality control department with dedicated quality trained specialists to perform in-line and end product inspections. All quality issues are reported, logged and investigated to inform process improvements. In addition, Trulieve has on-site testing capabilities via its state of the art laboratory. Trulieve tests all final batches of products to ensure compliance with State and internal quality standards. Trulieve also utilizes an independent third-party lab to test every batch of its products. Although not a state requirement, Trulieve's goal is to ensure a safe product and transparency with patients regarding Trulieve products. Trulieve has third party testing completed for the following items: potency, terpene profile, pesticides, microbials, mycotoxins, heavy metals and residual solvents. These reports are available on the Trulieve website for patients or physicians to access. With a historical product return rate of less than 2%, Trulieve has worked to achieve high patient satisfaction with Trulieve products.

Marketing and Community Outreach

Trulieve's marketing strategies center around education and outreach to three main customer categories: physicians, patients and potential patients.

Physicians are a critical component in Trulieve's success to date. Trulieve provides industry leading education, outreach and support to all registered Florida medical cannabis physicians. Trulieve's educational materials are designed to help physicians understand the science behind cannabis, how Trulieve's plants are cultivated with the highest standards and Trulieve's products are created to provide relief to the physician's patients. Trulieve creates educational tools in both print and digital form in an effort to allow for quick implementation of new information and ease of access for busy physicians. Trulieve's dedicated physician education team delivers in-person outreach on a consistent basis, as well as immediate phone support through a physician education team member in the Trulieve call center.

Patients learn about Trulieve through the success of Trulieve's physician education program as well as many patient-centric community activities. Trulieve participates in dozens of patient outreach and community events on a monthly basis. An engaged patient audience is captured through Trulieve's digital content marketing, which includes e-mail, website, a mobile application, social media and mainstream industry websites.

Potential patients are not forgotten through Trulieve's marketing strategies. Trulieve also attends many events focused on educating non-patients who may benefit such as veterans, seniors, condition specific organizations and general health and wellness events. The media is a great asset to Trulieve's marketing plan and has helped Trulieve organically teach the State of Florida about Trulieve. Trulieve utilizes press releases to cover important information and reach a large audience. Search engine optimization of Trulieve's website also captures potential patients in the research phase of their journey. Trulieve's easy to use "Find a Doctor" tool and the question and answer section of Trulieve's website have been designed to help individuals become Trulieve patients.

Patient Focused Experiences

It is Trulieve's goal to create enthusiastic patients loyal to the Trulieve brand and, in return, to provide these patients a superior level of customer service and product selection. Trulieve accomplishes this goal through several key strategies:

- Training Trulieve employees to focus on the patient experience and the delivery of exceptional service
- Measuring customer service success
- Creating positive patient experiences through the consistent design of Trulieve dispensaries
- Giving patients multiple methods by which to order products, including home delivery, to ensure a convenient solution for Trulieve patients
- Creating and executing the Trulievers Loyalty Program with high adoption and engagement with patients via various channels
- Continuous product innovation thru research and development activities

Training

The Trulieve patient experience is an area of high-focus for Trulieve. Trulieve employs a number of training protocols and systems in an effort to ensure the patient experience is a positive one across all Trulieve branded locations and with each interaction with a Trulieve employee. Trulieve utilizes technology with online-based training modules to effectively communicate updates to company policies, as well as regulatory changes and new product launches to ensure every Trulieve employee receives a consistent message simultaneously. With a robust and consistently updated catalogue of training modules, newly hired employees are assigned a training platform based on the employee's position at Trulieve. Managers track completion and competency within the training system and also have the ability to re-assign modules or require additional training in areas where further work is required. In addition to online training, Trulieve managers employ on-the-job training sessions with employees centered around relevant topics determined by managers and regional managers weekly.

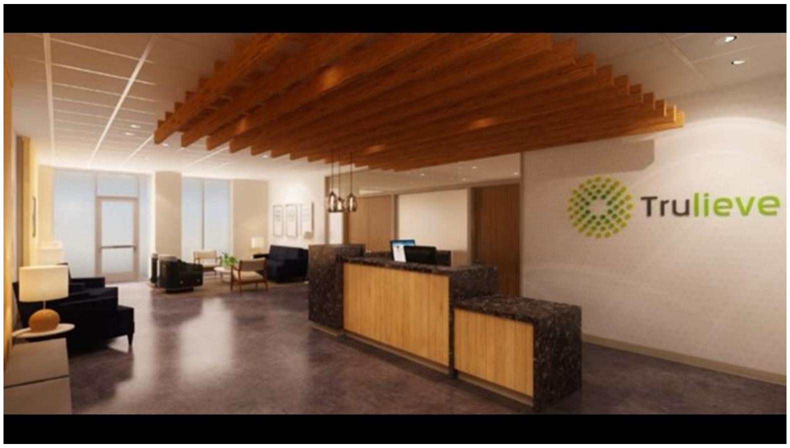
Measuring Success

Training must be followed up with measured success protocols. In the Trulieve Call Center, technology allows Trulieve to monitor its service level activity percentage (80%+) in an effort to ensure all calls are answered and serviced in an efficient manner. Trulieve calculates patient's time spent in store in an effort to decrease wait times and maintain a high level of capacity. To assess Trulieve's success in providing a positive experience, Trulieve monitors and respond to patient reviews on multiple platforms, receives shopper surveys monthly and sends out direct patient and physician satisfaction surveys on a regular basis.

Branded Store Experiences

The Trulieve patient experience is further enhanced at Trulieve dispensaries with a consistent atmosphere in every Trulieve store. Brand and development guidelines have been implemented in an effort to ensure each store utilizes the same design, color scheme and layout and provides a consistent, comfortable, welcoming environment. Light, bright lobbies are outfitted with comfortable seating in the waiting areas. Each Trulieve dispensary features a private patient consultation area where private education sessions regarding Trulieve products or general medical cannabis questions can occur. The products are dispensed thru a secure door which opens into open display areas where Trulieve products are displayed and product menu boards list products and pricing. Patient consultants are available to answer questions about the products and pull products for patients for sale. Point of Sale systems tie into the State registry to seamlessly complete transactions. Each Trulieve store is designed for high throughput. On the highest single sales day to date, approximately 3,000 patients were served in 14 Trulieve locations. On average, approximately 1,900 patients are served in Trulieve stores daily.

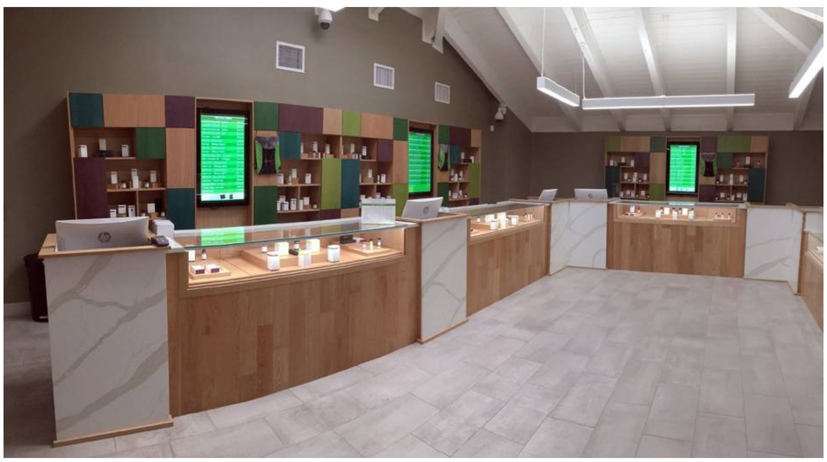
Exterior of Trulieve location in Tampa, Florida



Representative Trulieve store lobby and waiting area

Representative Trulieve store private consultation room graphic

Trulieve store showrooms



Multiple Channels Of Distribution

As a medical cannabis provider in Florida, Trulieve believes it is important to meet its patients where they are, whether it be home-bound due to a specific illness, limited in time due to a busy schedule or new patients requiring a personal, face to face consultation. To meet patient needs, Trulieve provides patients with several different purchase options. Trulieve patients can order products for delivery on-line or by calling the Trulieve Call Center. Trulieve's fully-staffed call center fields (on average) 2,000 calls per day answering patient questions and facilitating patient orders. Trulieve offers next day delivery service in most areas of Florida. In addition to delivery, Trulieve patients can also place orders for in-store pick-up either online or via the Trulieve Call Center. Finally, patients are able to walk-in to any Trulieve dispensary location and place an order in person. Trulieve has patient consultants available in each of its stores to answer any questions and to offer in-depth consultations for new or returning patients.

Loyalty Program And Communication Platforms

The Truliever program was created as a patient-based loyalty program whereby Trulieve patients earn points for dollars spent, with a discount at pre-determined point values. Trulievers are notified first with special discounts or limited release product offerings, and also have access to Truliever-only promotions and events. Trulieve communicates with patients and physicians through a variety of methods including e-mail, text messaging, social media and online chat. Trulieve e-mails have historically had an average of

50% open rate and approximately 70% of Trulieve patients have opted-in to the Trulieve text message feature to date. Trulieve's Facebook page has over 20,000 followers as at July 31, 2018. Trulieve patients also engage with the Trulieve brand via the Trulieve Instagram and Twitter platforms.

Research And Development

Trulieve's commitment to patients extends to the variety and quality of Trulieve's products. Trulieve has a dedicated research and development team focused on technology innovations and product development. The Trulieve research and development team evaluates new technologies and performs rigorous testing prior to recommending the introduction of new products into production. The team is charged with product development and works to keep Trulieve products current and relevant in the fast-paced cannabis industry while setting the pace for cutting-edge products.

Trulieve's patient-centric approach has led to a highly loyal and repeat patient base. Trulieve dispenses (on average) 70% of all milligrams of cannabis dispensed in Florida per the Department as of July 27, 2018. By comparison, the next closest competitor in Florida dispenses (on average) 11% of dispensed cannabis milligrams.

Competitive Conditions and Position

Trulieve is the first-mover in Florida as the first company to complete a sale of medical cannabis, the first company to open a dispensary and the first company to make a delivery of medical cannabis to a patient's home. Eleven of Trulieve's 16 stores were the first cannabis dispensaries to open in their respective locations. Trulieve is the clear market leader selling the majority of all milligrams sold in Florida week over week. By comparison, Trulieve's next closest competitor in Florida dispenses, on average, 11% of dispensed milligrams of cannabis.

The following chart provides a summary of the principal medical cannabis companies operating in Florida as at the date of this Listing Statement, the number of locations of such companies, whether such companies deliver their products to their patients and the types of products sold.

Medical Marijuana Treatment Center	Trulieve	Surterra	Liberty Health Sciences/Aphria	Knox	Curaleaf	Grow Healthy	AltMed/MUV	VIDACANN (Loops)	The Green Solution	Columbia Care
Locations	Tallahassee, Tampa, Clearwater, Pensacola, Miami, Edgewater, Lady Lake, Jacksonville, St. Petersburg, Bradenton, Ft Myers, Orlando, Gainesville, Vero Beach, New Port Richey, Dadeland	Deltona, Jacksonville, Largo, Miami Beach, North Port, Orlando, Pensacola, Port Orange, Tallahassee, Tampa	Villages, St. Petersburg, Tampa, Port St. Lucie	Tallahassee, Gainesville, Orlando, Jacksonville, Lake Worth, St. Petersburg, Fort Walton Beach	Ft. Myers, Jacksonville, Kendall, Lakeland, Lake Worth, Miami, Orlando, Palm Bay, Palm Harbor, St. Petersburg	Delivery Only	Apollo Beach, Sarasota	Holly Hill, Palm Bay	Not Delivering	Delivery Only
Delivery	Yes	Yes	Yes	Yes	Yes	Yes	Yes - 20 mile radius	Yes- Limited	No	Yes
Products										
Flower for Vaporization	x				x					
Vaporizer Cartridges	x	x	x	x	x	x	x	x	x	
Shatter	x									
Oral Concentrates	x	x	x		x	x	x	x		
Tinctures	x	x	x	x		x	x	x		x
Sprays		x					x			
Oral Syringes	x				x					
Capsules	x		x	x	x			x		
Topical Cream	x	x	x	x	x		x			
Patches		x					x			
Inhalers/Nebulizers	x						x			
Suppositories				x						

<u>Business Objectives of the Resulting Issuer</u>

Trulieve will continue to focus on rapid growth of cultivation and production facilities as well as retail stores in Florida while also moving into other states to expand the reach of the Trulieve brand.

Following completion of the Transaction, the principal business intended to be carried on by the Resulting

Issuer is to continue to execute on Trulieve's established business plan of being the clear market leader in the State of Florida, which includes the continued operation of Trulieve's existing business and, importantly, executing on Trulieve's growth plans which are comprised of three key strategies:

- *Expand Current Cultivation and Production Operations*: The Resulting Issuer will continue to scale cultivation and production operations as justified by supply-demand market dynamics.
- *Expand Current Market Retail Footprint*: The Resulting Issuer will continue to scale retail footprint in Florida.
- *New Market Expansion*: The Resulting Issuer will identify new markets that support Trulieve's business model.

In the 12 months following completion of the Transaction, the Resulting Issuer expects to:

1. Expand Current Market Cultivation and Production Operations

Trulieve is proposing to complete the build-out of Trulieve's indoor and greenhouse cultivation facilities in Quincy, Florida. This expansion is under construction currently, with the next phase expected to be scheduled for inspection by the Department within 90 days.

In addition, Trulieve intends to complete the build-out of Trulieve's indoor cultivation facility in Central Florida. This facility is under construction currently, and will be scheduled for inspection by the Department within the next 120 days.

Last, Trulieve is proposing to complete the build-out and to secure GMP certification of the Trulieve production facility in Midway, Florida. This facility is under construction currently, and will be scheduled for inspection by the Department within the next 90 days.

2. Expand Current Market Retail Footprint

In the next 12 months, Trulieve is proposing to open the following additional Trulieve locations in Florida:

NAME	REGION
Boynton Beach	Southeast
Venice	Southwest
Dania Beach	Southeast
West Palm	Southeast
Miami Beach	Southeast
Deerfield Beach	Southeast
Palm Coast	Northeast

Sarasota	Southwest
St Augustine	Northeast
Melbourne	Central
Ft Lauderdale	Southeast
Clearwater Hwy 19	Central

3. New Market Expansion

Trulieve's goal is to successfully identify and acquire at least one retail and accompanying production facility outside the State of Florida on or before December 31, 2019. Trulieve is focused on acquiring locations that will enable Trulieve to bring Trulieve-branded products to Trulieve-branded stores in an effort to further expand the reach of the Trulieve brand.

The Resulting Issuer is budgeting $48 million for expenses related to capital expenditures, regulatory fees, working capital and professional fees over the next 12 months.

Significant Events or Milestones

In order to successfully reach the Resulting Issuer's goals regarding the construction of new facilities for the cultivation, production and sale of Trulieve's products, the Resulting Issuer must complete all construction on time and within the budget created for each facility. In addition, associated personnel must be located, hired and trained. All permits and other regulatory approvals must also be obtained by the Resulting Issuer in a timely fashion.

There are eight additional dispensaries schedule to open before December 31, 2018 at a cost of $2,250,000. In addition, another nine locations are scheduled to open before December 31, 2019 at a cost of $16,750,000. Cultivation and manufacturing expansion is currently underway with a projected spend of $22,868,333 by December 31, 2018 and $13,807,000 during 2019. The accomplishment of the proposed dispensary, cultivation and processing expansion are significant milestones to the Resulting Issuer accomplishing its revenue goals.

Business Segment	To Open By December 31, 2018	Projected Cost	To Open By December 31, 2019	Projected Cost	Acquisitions
Dispensaries	8	$2,250,000	9	$1,750,000	$15,000,000
Cultivation / MFC	N/A	$22,868,333	N/A	$13,807,000	N/A

Trulieve must also continue to execute on its existing business model. As further described below, it is anticipated that $2.5 million per month of the costs associated with the construction of new facilities will be funded from the Resulting Issuer's balance sheet. Material market changes or delayed store openings that impact the Resulting Issuer's revenue would require additional capital to meet the Resulting Issuer's goals regarding new facilities in the next 12 months.

Finally, Trulieve must successfully identify and negotiate acquisitions in additional markets within the identified timeline. Successful hiring and training of personnel and execution of Trulieve's plans though the launch of each new market will be key to Trulieve's success, as will the successful navigation of any market-specific regulatory requirements encountered by the Resulting Issuer in these new markets. See Item 17 – *Risk Factors*.

Total Funds Available

The pro forma working capital position of the Resulting Issuer as at June 30, 2018, giving effect to the Transaction as if it had been completed on that date, was approximately $65,827,738.

As at June 30, 2018 (the end of Trulieve's most recent interim period for which financial statements have been prepared), Trulieve had working capital of $19,501,444. The Resulting Issuer expects to have positive cash flow from operations to fund its ongoing operations.

The consolidated pro forma balance sheet of the Resulting Issuer, which gives effect to the Transaction as if it had been completed on June 30, 2018, is attached hereto as Schedule "E".

SR Offering

On August 27, 2018, Trulieve completed a brokered private placement of 10,927,500 Subscription Receipts at an issue price of C$6.00 per Subscription Receipt (the "**SR Offering Price**") for gross proceeds of C$65,565,000 pursuant to the terms of the Agency Agreement (the "**SR Offering**").

Each Subscription Receipt entitles the holder thereof to receive, without payment of any additional consideration or further action, and subject to adjustment, one Trulieve Share upon satisfaction or waiver of the Escrow Release Conditions in accordance with a subscription receipt agreement (the "**Subscription Receipt Agreement**") dated as of August 27, 2018 among Trulieve, Canaccord Genuity Corp. and GMP Securities L.P. (the "**Agents**") and the Escrow Agent, as subscription receipt agent thereunder.

The gross proceeds of the SR Offering, less (i) 50% of the commissions payable to the Agents pursuant to the terms of the Agency Agreement (the "**Agency Fee**"), and (ii) the Agents' expenses incurred in connection with the SR Offering (the "**Agents' Expenses**") accrued at that time (including legal fees, disbursements and applicable taxes) and payable by Trulieve pursuant to the terms of the Agency Agreement, were deposited in escrow with the Escrow Agent and invested in an interest bearing account (the funds held in escrow by the Escrow Agent, together with all interest and other income earned thereon, are referred to herein as the "**Escrowed Funds**"). Provided the Escrow Release Conditions are satisfied on or prior to the date that is 120 days from the date of the closing of the SR Offering (the "**Escrow Release Deadline**"), the Escrowed Funds will be released from escrow by the Escrow Agent as follows: (a) to the Agents, an amount equal to the balance of the Agency Fee and any Agents' Expenses not already paid by Trulieve; and (b) to Trulieve, an amount equal to the Escrowed Funds, less the foregoing deductions.

If (i) the Escrow Release Conditions are not satisfied on or before the Escrow Deadline, unless extended in accordance with the terms of the Subscription Receipt Agreement, or (ii) prior to the Escrow Deadline, the Company advises the Agents or announces to the public that it does not intend to complete the Transaction prior to the Escrow Deadline or the Definitive Agreement is terminated (any such event being a "**Termination**"), holders of the Subscription Receipts shall, commencing at 12:00 p.m. (EST) on the third business day following the date on which the Termination occurs, be entitled to receive from the Escrow Agent and the Escrow Agent shall pay to each holder of Subscription Receipts an amount equal to the SR Offering Price for each Subscription Receipt plus a pro rata share of interest earned thereon, and all of the Subscription Receipts shall be cancelled. If the amount of the Escrowed Funds, including all interest thereon, would not be sufficient to satisfy any such payment then, pursuant to the Subscription Receipt Agreement, Trulieve will be required to deposit an additional amount, sufficient to satisfy the shortfall, with the Subscription Receipt Agent prior to the time at which the payment is required.

In connection with the SR Offering, Trulieve paid a cash fee to the Agents equal to 6.0% of the gross proceeds of the SR Offering, provided that the cash fee payable to the Agents was reduced to 3.0% in respect of sales to subscribers on a president's list. As additional consideration, the Agents were granted an aggregate of 535,446 broker warrants (the "**Broker Warrants**") on closing of the SR Offering. Each Broker Warrant is exercisable at any time prior to the date that is 24 months following the date the Escrow Release Conditions are satisfied to acquire one Trulieve Share at the SR Offering Price. In the event a Termination occurs on or before the Escrow Deadline, the Broker Warrants shall thereafter be void and of no further force and effect. Upon completion of the RTO Transaction, the Broker Warrants shall be exchanged for economically equivalent broker warrants of the Resulting Issuer.

Holders of the Subscription Receipts that participated in the SR Offering on a non-brokered basis and whom are US residents have agreed to exchange the Subordinate Voting Shares to be issued to such holders on exercise of the Subscription Receipts for Multiple Voting Shares on the basis of one Multiple Voting Share for each 100 Subordinate Voting Shares to assist the Resulting Issuer in its efforts to maintain its status as a "foreign private issuer" (as determined in accordance with Rule 3b-4 under the Exchange Act) on closing of the Transaction.

Purpose of Funds

Upon completion of the Transaction, the Resulting Issuer expects to have approximately $65,827,738 million dollars available to it to spend for the principal purpose of increasing the Resulting Issuer's grow and production capacity, expanding to new markets and the retirement of debt.

Trulieve is proposing to spend approximately $15 million dollars on cultivation and processing facilities. In addition, $12 million will be used to retire debt through the repayment of the Track V Notes and the Clearwater GPC Note. Approximately $15 million is to be used for out of state acquisition activity by the Resulting Issuer. The use of proceeds of the Offering to pursue corporate opportunities by the Corporation, including acquisitions, investments and strategic partnerships, branding and marketing initiatives, will be ongoing. Trulieve has not determined to pursue any specific acquisition or investment opportunities, however Trulieve believes that due to the competitive nature of the United States cannabis industry, the expected demand for cannabis products, together with the relatively uncertain and potentially diverse regulatory regimes of the various states in the United States, it will be important for the Resulting Issuer to have funds available to quickly and flexibly pursue strategic opportunities.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives. The Resulting Issuer may also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. Trulieve has invested approximately $35 million in capital expenditures associated with the build out of cultivation, production and dispensary facilities in Florida to date. There can be no assurance that additional funding required by the Resulting Issuer will be available, if required.

It is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives for the forthcoming 12-month period. The amounts shown in the table below are estimates only and are based on the information available to the Resulting Issuer as of the date of this Listing Statement.

Forecast12 Month Budget

Expected Funds Available to the Resulting Issuer (1)	$65,827,738
Future Capital Expenditures Grow & Processing:	$15,000,000
Debt Retirement:	$12,000,000
New Market Expansion:	$15,000,000

Notes:

(1) The Resulting Issuer expects to continue to have positive cash from operations over the next 12 months to contribute to funding its ongoing operations and will utilize its profits for general working capital purposes.

Ability to Access Public and Private Capital

Given the current laws regarding cannabis at the federal level in the United States, traditional bank financing is typically not available to United States cannabis companies. Specifically, the federal illegality of marijuana in the United States means that financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under money laundering statutes, the unlicensed money transmitter statute and the *Bank Secrecy Act* (the "**BSA**"). As a result, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. Banks who do accept deposits from cannabis-related businesses in the United states must do so in compliance with the Cole Financial Crime Memo and the FinCEN Memo, each dated February 14th, 2014. The Cole Financial Crime Memo states that prosecutors should apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. The FinCen Memo provides guidelines to banks on how to accept deposits from cannabis-related businesses while remaining compliant with the BSA. The Financial Crime Enforcement Network has not rescinded the FinCEN Memo following the United States Department of Justice's January 4, 2018 announcement rescinding the Cole Memorandum.

Trulieve has a banking relationship with a Florida state-chartered bank for deposits and payroll, however Trulieve does not have access to traditional bank financing.

Trulieve has been successful at raising capital privately and has raised over $22 million prior to the closing of the SR Offering.

There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. See *Item 17 Risk Factors.*

4.1(2) <u>Principal Products or Services</u>

As a vertically-licensed medical cannabis provider, Trulieve distributes its products using a variety of distribution channels, including sales through the Trulieve network of retail locations and direct delivery. Patients are able to place orders online as well as by phone for delivery or in store pick-up. In addition, patients can walk into any Trulieve location and purchase Trulieve products. Trulieve's principal market is the state of Florida and, as the largest medical cannabis company in Florida, Trulieve has deep market penetration servicing patients statewide.

Trulieve currently produces over 80 SKUs across multiple product lines. All products are available utilizing multiple strains grown in Trulieve's cultivation facilities and formulated to varying strengths. Each product line is specifically formulated in an effort to ensure high quality for that particular product type and for certain patient needs. For example, the Trulieve inhalation line has five product types: TruFlower, 250 mg standard wick cartridges, 600 mg ceramic cartridges and 800 mg TruPods and TruShatter. TruFlower is a product designed in-house that consists of a ceramic container meeting the Florida statutory requirement of a tamperproof container intended for vaporizing. Three TruFlower containers are sold in a single package and equate to an eighth of flower. Trulieve was the first and is currently one of only two companies in Florida with this product. This product was developed for patients who benefit from whole plant cannabis and the associated entourage effect which has medical benefits and also for those patients who desire a more natural product. The standard 250mg cartridges are popular among patients who are new to cannabis and new to vaporization. These cartridges come in several different strain formulations in hybrid, sativa and indica categories. The 600 mg cartridges feature a ceramic cartridge design and utilize ethanol extracted oil mixed with MCT oil to reach the specified 600 mg of active THC per cartridge and are one of the most popular products in the Trulieve product line. Trulieve offers a wide variety of strains in this format. The 800 mg TruPod cartridge is a pure, uncut distillate product and is a popular choice for patients who require a higher dose or those that do not want any additional cutting agents added to their cartridge products. Finally, the newest addition to the inhalation product line is TruShatter. TruShatter is a full-spectrum concentrate sold in a shatter consistency.

Currently, Trulieve sells all of its products across all 16 Trulieve branded retail locations throughout the state of Florida.

For the year ended December 31, 2016, Trulieve had revenue of $161,145 of which approximately 22.25% was derived from delivery-based sales, with the remaining revenue being derived from in-store purchases. 49.92% of Trulieve's sales for the year ended December 31, 2016 were sales of inhalation products, 16.16% oral syringes, 10.22% accessory devices, 15.41% capsules and the remainder in topical and other categories.

For the year ended December 31, 2017, Trulieve had total revenue of $19,778,344, of which 20.3% derived from delivery-based sales, with the remaining revenue being derived from in-store purchases. Approximately 62.52% of Trulieve's sales for the year ended December 31, 2017 were sales of inhalation products, 13.86% oral syringes, 10.36% ancillary devices, 6.13% capsules and the remainder in topical and other categories.

Trulieve has a research and development program led by its R&D Manager who is responsible for vetting new product and technology opportunities and making recommendations to invest in or launch new products and/or technology across all business functions. The current suite of in-house Trulieve products (with the exception of the nasal spray) have been developed and produced solely by Trulieve. The Resulting Issuer will continue to perform research and development in cultivation and production techniques, as well as product development.

4.1(3) <u>Production and Sales</u>

As a vertically-integrated company, Trulieve produces 100% of all products sold in Trulieve stores. Trulieve primarily utilizes super critical ethanol extraction systems and techniques for its cannabis products. Trulieve has installed a carbon dioxide extraction system in its current processing facility and will be launching new products utilizing this technology over the next 60 days.

Hydrocarbon extraction of cannabis is contemplated in 2017 Florida Statute 381,986, however the Department must pass associated rules prior to hydrocarbon extraction being permitted in the State of Florida. Trulieve plans to produce products using hydrocarbon extraction techniques as soon as authorized by the Department and is building a state-of-the-art hydrocarbon extraction facility within the 55,000 square foot Trulieve production facility currently under construction in anticipation of the Department's approval of such technique.

In addition, Trulieve is preparing for the release of regulations governing the production of edible cannabis products in Florida. Trulieve is in discussions with several well-known cannabis edibles brands from across the United States and plans to bring their expertise into the Florida market via licensing arrangements with edible products being produced by Trulieve, such products to be co-branded and distributed through Trulieve stores. On June 2, 2018, in furtherance of this strategy, Trulieve executed a Trademark Licensing Agreement with Bhang Corporation ("**Bhang**"). Pursuant to the Agreement and contingent upon approval by the Department, Trulieve will manufacture the Bhang edibles line of cannabis products and distribute those products in Trulieve stores. Leaders in the cannabis industry, the Bhang team produces an award-winning line of cannabis chocolate bars as well as gums and mouth sprays. Developed by Scott Van Rixel, a professional chef and Master Chocolatier with more than 25 years of gourmet chocolate experience, Bhang artisan chocolate bars pair the best in sustainably-source, free-trade cacao with adventurous flavors and high-quality, lab-tested, cannabis oil to produce award-winning cannabis products.

Trulieve Leases

Trulieve leases all but four of its store locations. The following chart summarizes each of the Trulieve's material locations and provides details regarding Trulieve's material leases, including the location and address of each site, whether the landlord is an arm's length third party or related party to Trulieve, the expiration date and terms of any renewal options of the lease, and whether such lease is in good standing.

Florida Location	Address	Landlord Relation	Termination Date	Renewal Option	Payment Terms	Good Standing
Tallahassee	800 Capital Cir Southwest Tallahassee, FL 32301	Third Party	6/30/21	Three- 5 year options	Monthly	Yes
Clearwater	24761 US Hwy 19 N Clearwater, FL 33763	Related	8/15/20	Five - 2 year options	Monthly	Yes
Dale Mabry	8701 Dale Mabry Tampa, FL	Related	1/24/22	One - 5 year option	Monthly	Yes
Miami	4020 NW 26 St Miami, FL 33142	Related	1/31/27	Yearly after term	Monthly	Yes
Edgewater	103 Boston Rd, Edgewater, FL 32141	Third Party	3/15/19	Two -2 year options	Monthly	Yes
Orlando	4544 N Orange Blossom Trail Orlando, FL 32804	Related	3/31/27	Yearly after term	Monthly	Yes
Pensacola	3119 N Davis Hwy Pensacola, FL 32503	Related	3/31/27	Yearly after term	Monthly	Yes
Sumter County - Villages	Oakland Hills Professional Center, 13940 US-441 #601, Lady Lake, FL 32159	Third Party	4/31/22	Three- 3 year options	Monthly	Yes
North Miami - Aventura Warehouses	1766 NE 205th Terrace Miami, FL 33179	Third Party	5/31/20	Two- 3 year options	Monthly	Yes
St. Pete 4th St	8435 4th St. St. Petersburg, FL	Related	6/5/22	One- 5 year option	Monthly	Yes
Gainesville	1527 NW 6th St Gainesville, FL 32601	Related	6/4/19	Two 5 year options	Monthly	Yes
Bradenton	1103 W 14th St. Bradenton, FL 34205	Related	6/20/22	One- 5 year option	Monthly	Yes
Ft. Myers North	13971 N Cleveland Ave #16, North Fort Myers, FL 33903	Third Party	4/30/22	Three- 3 year options	Monthly	Yes
Jacksonville	6259 Beach Blvd Jacksonville, FL 32216	Related	6/30/27	Yearly after term	Monthly	Yes
Boynton Beach - Lease	1530 SW 8th Street Suite A-3 Boynton Beach, FL 33426	Third Party	8/31/22	Two- 5 Year options	Monthly	Yes
Vero Beach	1814 Commerce	Related	1/1/23	One - 5 year	Monthly	Yes

	Ave Vero Beach, FL 32960			option		
New Port Richey	5623 US-19 New Port Richey, FL 34652	Related	12/31/23	Two 5 year options	Monthly	Yes
Calumet	1730 Calument Drive, Clearwater, FL	Related	1/1/23	One- 5 year option	Monthly	Yes
West Palm Beach	1320, 1322, 1324 N. Military Trail West Palm Beach, FL 33409	Third Party	12/31/22	Three- 5 year options	Monthly	Yes
Dania Beach	520 Stirling Rd Dania Beach, FL 33004	Related	**[Date]**	One- 5 year option	Monthly	Yes
Clearwater - Office Space	24671 US HWY 19 N Clearwater, FL 33763	Related	10/31/21	One- 5 year option	Monthly	Yes
Venice	1260 Jacaranda Blvd Venice, FL 34292	Related	4/30/23	One - 5 year option	Monthly	Yes
Palm Coast	28 Old Kings Road North, Palm Coast, FL 32137	Related	4/30/23	one 5 year option	Monthly	Yes
Deerfield Beach	458 W. Hillsboro Blvd Deerfield Beach, FL 33441	Third Party	4/30/23	One- 5 year option	Monthly	Yes
Sarasota	935 N Beneva Rd #707-711, Sarasota, FL 34232	Third Party	5/31/23	One- 5 year option	Monthly	Yes
Dadeland	9600 SW 77th Ave Miami, FL 33156	Third Party	2/28/22	Two- 3 Year renewals	Monthly	Yes
Clearwater	24639 US HWY 19 N., Clearwater, FL 33763	Related	6/30/23	One- 5 year option	Monthly	Yes
Miami Beach	300 Arthur Godfrey Rd Suite 203 Miami Beach, FL 33140	Third Party	1/31/23	Two- 3 year options	Monthly	Yes
St. Augustine	2303 N. Ponce De Leon Blvd. Suite B & C	Third Party	7/1/23	One- 5 year option	Monthly	Yes
Melbourne	3350 W New Haven Ave Brevard County, FL	Third Party	12/31/23	One- 5 year option	Monthly	Yes
Juniper Creek	1844 Juniper Creek Rd	Owned	N/A	N/A	Monthly	Yes

	Quincy FL 32351					
Ben Bostic	6749 Ben Bostic Rd Quincy, FL 32351	Owned	N/A	N/A	Monthly	Yes
Midway	816 Commerce Blvd Midway, FL 32343	Owned	N/A	N/A	Monthly	Yes
Higdon	130 N Virginia St Quincy, FL 32351	Owned	N/A	N/A	Monthly	Yes

Specialized Skills

Trulieve is perpetually recruiting and hiring talented individuals to join the Trulieve team. Trulieve currently employs a wide range of skill sets, including employees with PhD and master's degrees. Many of Trulieve's employees are college graduates and many have specific skills related to their job function with Trulieve. Trulieve will be recruiting individuals with production-level cooking experience to build out the edibles division as well as individuals with hydrocarbon extraction experience for that product line. Trulieve also will continue to build out its research and development team with scientists and other area specialists. Trulieve utilizes a variety of recruiting techniques, including online resources as well as recruiting professionals to assist with filling specialized roles.

Supply Chain

Trulieve is a true seed to sale company and as such controls the supply chain for its products and distribution. Aside from hardware components that are readily available such as childproof bottles and packaging and ingredients which are also readily attainable such as olive oil or coconut oil, raw materials are produced by Trulieve personnel in-house. Those materials not produced in-house are purchased at market prices from vetted suppliers.

Brand Recognition and Intellectual Property

Trulieve has been registered as a nursery in the State of Florida since June 2, 1981 and was awarded a license to operate in Florida as a Medical Marijuana Dispensing Organization in 2015. Over this time, Trulieve has built brand recognition through the state of Florida. Trulieve uses a consistent approach to the design of each of its stores in an effort to further create a uniform experience for Trulieve patients.

Trulieve has received trademark approval from the State of Florida for the name Trulieve. Trulieve owns the domain name trulieve.com as well as several additional related domain names. Trulieve has not registered any patents nor is it in the process of registering any patents. Trulieve relies on non-disclosure and confidentiality agreements to protect its intellectual property rights. To the extent Trulieve is required to make disclosure to the State regarding specific proprietary and trade secret information, such information is redacted prior to public disclosure.

Year-Round Business

The Trulieve medical cannabis business is year-round and neither cyclical nor seasonal.

Employees

Trulieve is committed to hiring talented individuals and maximizing individual potential while fostering growth and career advancement. Since the opening of its first store in 2016, Trulieve's workforce has grown to over 900 employees throughout Florida, including personnel in Trulieve's cultivation, production, transportation and retail divisions, along with Trulieve's executive and support services teams. Trulieve's goal is to use the highest standards in attracting the best talent, offering competitive compensation, as well as implementing best practices in evaluating, recruiting and onboarding its human capital. Trulieve's current employees are split across company divisions as follows:

Retail: 513
Executives: 4
Production: 119
Accounting: 9
Human Resources, Management and R&D: 55
Cultivation: 216
Transportation: 14
Total: 930

Trulieve strives to be an employer of choice through its ongoing commitment to diversity and inclusion in the workplace. Trulieve recently hired a third-party consulting firm to conduct a diversity audit and subsequent action plan for Trulieve in an effort to maintain and improve its commitment in this regard. The audit, completed in July 2017, found that 43% of Trulieve's employees were minorities and 37% were women. Trulieve is continuing to follow the recommendations outlined in the diversity action plan to maintain Trulieve's high rating as a diverse and inclusive workplace. Company-wide leadership training helps to create awareness, perpetuate Trulieve's core values and further define Trulieve's culture as truly diverse and inclusive.

In addition, Trulieve is committed to maintaining a zero-tolerance policy for all forms of harassment, discrimination and retaliation. Ongoing policy training at Trulieve serves to educate and set context around company policies and protocols while it reinforces Trulieve's commitment to sustaining a workplace free of all forms of harassment and discrimination.

Trulieve is also committed to safety in the workplace and has an Environmental, Health & Safety Manager on staff to oversee safety initiatives within Trulieve's facilities. In addition, Trulieve requires specific training on workplace safety matters.

Trulieve's company culture is defined by its commitment and focus to quality products, as well as the best customer service, both internally and externally. Management believes Trulieve's growth and outreach within the community helps to fortify and expand the Trulieve brand. Trulieve strives to cultivate a service mentality with a priority on transparency in communication throughout all levels of the organization. Part of the way Trulieve measures its success is by gauging employee satisfaction, specifically, through top-notch training, empowerment, employee acknowledgement and feedback. These commitments to Trulieve's patients, Trulieve's workforce and to the community define Trulieve as a true employer of choice.

4.1(4) <u>Competitive Conditions and Positions</u>

Trulieve dispenses (on average) 70% of all milligrams of cannabis dispensed in Florida per the Department as of July 27, 2018. By comparison, Trulieve's next closest competitor in Florida dispenses, on average, 11% of dispensed cannabis milligrams.

The following chart provides a summary of the principal medical cannabis companies operating in Florida as of August 29, 2018, the number of locations of such companies, whether such companies deliver their products to their patients and the types of products sold.

Medical Marijuana Treatment Center	Trulieve	Surterra	Liberty Health Sciences/Aphria	Knox	Curaleaf	Grow Healthy	AltMed/MUV	VIDACANN (Loops)	The Green Solution	Columbia Care
Locations	Tallahassee, Tampa, Clearwater, Pensacola, Miami, Edgewater, Lady Lake, Jacksonville, St. Petersburg, Bradenton, Ft Myers, Orlando, Gainesville, Vero Beach, New Port Richey, Dadeland	Deltona, Jacksonville, Largo, Miami Beach, North Port, Orlando, Pensacola, Port Orange, Tallahassee, Tampa	Villages, St. Petersburg, Tampa, Port St. Lucie	Tallahassee, Gainesville, Orlando, Jacksonville, Lake Worth, St. Petersburg, Fort Walton Beach	Ft. Myers, Jacksonville, Kendall, Lakeland, Lake Worth, Miami, Orlando, Palm Bay, Palm Harbor, St. Petersburg	Delivery Only	Apollo Beach, Sarasota	Holly Hill, Palm Bay	Not Delivering	Delivery Only
Delivery	Yes	Yes	Yes	Yes	Yes	Yes	Yes - 20 mile radius	Yes- Limited	No	Yes
Products										
Flower for Vaporization	x				x					
Vaporizer Cartridges	x	x	x	x	x	x	x	x	x	
Shatter	x									
Oral Concentrates	x	x	x		x	x	x	x		
Tinctures	x	x	x	x		x	x	x		x
Sprays		x					x			
Oral Syringes	x				x					
Capsules	x		x	x	x			x		
Topical Cream	x	x	x	x	x		x			
Patches		x					x			
Inhalers/Nebulizers	x						x			
Suppositories				x						

4.1(5) Lending and Investment Policies and Restrictions

This section is not applicable.

4.1(6) Bankruptcy and Receivership

Neither the Corporation nor Trulieve has been the subject of any bankruptcy or any receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings, within any of the three most recently completed financial years (as applicable) or the current financial year.

4.1(7) Material Restructuring

Trulieve entered into the Definitive Agreement with the Corporation and Subco to effect a reverse merger under Florida law whereby Trulieve and Subco merged, Trulieve became a wholly-owned subsidiary of the Corporation, and the shareholders of Trulieve (including former holders of the Subscription Receipts) in exchange for such shares, will receive, Super Voting Shares, Multiple Voting Shares and/or Subordinate Voting Shares of the Corporation. See *Item 3.1 – General Development of the Business – The Transaction*.

By Certificate of Domestication for a Georgia Corporation to a Florida Corporation filed June 11, 2018, Trulieve became a Florida corporation.

By Change Amendment dated July 18, 2018, Trulieve changed its name to “Trulieve, Inc.”

By Articles of Amendment dated August 27, 2018, Trulieve increased the authorized share capital of Trulieve to 25,000,000 Trulieve Shares and 20,000 shares of preferred stock with a par value of $0.001 per share.

4.1(8) Fundamental Social and Environmental Policies

The Corporation has not implemented any social or environmental policies that are fundamental to its operations.

4.2 Asset-backed Securities

The Corporation does not have any asset-backed securities.

4.3 Companies with Mineral Projects

The Corporation does not have any mineral projects. Pursuant to the terms of an asset purchase agreement executed on June 14, 2018, between the Corporation and Tullamore Exploration Inc. ("**Tullamore**"), the Corporation sold the Casino property in the town of Cadillac, Quebec for $1.00 to Tullamore, effective immediately following completion of the acquisition of Trulieve and closing of the Transaction.

4.4 Companies with Oil and Gas Operations

The Corporation does not have any oil and gas operations.

5 Selected Consolidated Financial Information

5.1 Annual Information

The Corporation's Annual Information

The following table sets forth selected financial information for the Corporation for the years ended December 31, 2017 and 2016. Such information is derived from the financial statements of the Corporation and should be read in conjunction with such financial statements:

	As at and for the year ended December 31, 2017 (audited) (CDN $)	As at and for the year ended December 31, 2016 (audited) (CDN $)
Statement of operations		
Total revenue	Nil	Nil
Net loss from operations	(44,963)	(103,626)
Net loss	(45,713)	(9,846)
Net loss per share (basic and diluted)	(0.01)	(0.002)
Statement of financial position		
Total assets	112,382	139,386
Total liabilities	464,010	445,301

See Schedule "A" – *Financial Statements of the Corporation*

Trulieve's Annual Information

The following table set forth selected financial information for Trulieve as at and for the years ended December 31, 2017 and 2016. Such information is derived from the financial statements of Trulieve and should be read in conjunction with such financial statements.

	As at and for the year ended December 31, 2017 (audited)	As at and for the year ended December 31, 2016 (audited)
Statement of operations		
Total revenue	$19,778,344	$161,145
Net income (loss) from operations	$9,916,628	($4,116,839)
Net income (loss)	$3,572,850	($3,658,985)
Net income (loss) per share (basic and diluted)	$543.08	($731.80)
Statement of financial position		
Total assets	$33,869,864	$7,417,147
Total liabilities	$22,748,010	$7,477,241

See Schedule "B" – *Financial Statements of Trulieve*

The Corporation's Interim Information

The following tables set forth selected financial information for the Corporation and Trulieve and selected pro forma financial statements of the Resulting Issuer as at and for as at and for the six months ended June 30, 2018. Such information is derived from the financial statements of the Corporation and Trulieve should be read in conjunction with such financial statements.

	As of and for the six month ended June30, 2018	As at and for the year ended December 31, 2017 (audited)	As at and for the year ended December 31, 2016 (audited)
Statement of operations			
Total revenue	$38,545,570	$19,778,344	$161,145
Net gain (loss) from operations	$25,013,505	$9,916,628	($4,116,839)
Net gain (loss)	$14,746,427	$3,572,850	($3,658,985)
Net income (loss) per share (basic and diluted)	$2,241.48	$543.08	($731.80)
Statement of financial position			
Total assets	$72,629,237	$33,869,864	$7,417,147
Total liabilities	$46,533,113	$22,748,010	$7,477,241

See Schedule "B" – *Financial Statements of Trulieve* and Schedule "E" – *Consolidated Pro Forma Financial Statements of the Resulting Issuer*.

5.2 Dividends

During 2016, Trulieve declared and paid a dividend to its shareholders in the amount of $475,330. (See Note 8 to the Trulieve audited financial statements).

The Corporation has not declared distributions on the Subordinate Voting Shares in the past. The Corporation currently intends to reinvest all future earnings to finance the development and growth of its business. Any decision to pay dividends will be made on the basis of the Corporation's earnings, financial requirements and other conditions existing at the time. The Corporation's ability to pay dividends may be affected by United States state and federal regulations. See Section 17 – *Risk Factors* hereto.

5.3 Foreign GAAP

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

6. Management's Discussion and Analysis

The Corporation's MD&A for the three and six months ended June 30, 2018 is attached to this Listing Statement as Schedule "C" – *MD&A of the Corporation.*

Trulieve's MD&A for the year ended December 31, 2017 and for the three and six months ended June 30, 2018 is attached to this Listing Statement as *Schedule "D" – MD&A of Trulieve.*

7. Market for Securities

The Corporation is a reporting issuer in the Province of Ontario. The shares of the Corporation are not listed and posted for trading or quoted on any stock exchange or quotation and trade reporting system.

8. Consolidated Capitalization

The following table sets forth the share and loan capital of the Corporation as at June 30, 2018 and the date of this Listing Statement, after giving effect to the Transaction. The table should be read in conjunction with the financial statements of the Corporation and Trulieve, and the notes thereto, included elsewhere in this Listing Statement.

Designation of Security	As of June 30, 2018	As of the date of this Listing Statement
Debt ($)		
Promissory note dated April 10, 2017, with annual interest at 12.0%, due between April and July 2019	$4,000,000	$4,000,000
Promissory note dated December 7, 2017 with annual interest at 12%, secured by certain property located in Miami, FL, due December 31, 2021	$2,000,000	$2,000,000
Promissory note dated January 11, 2018 with annual interest at 12%, due January 2020	$6,000,000	$6,000,000
Notes payable due to related parties, with varying interest rates between 0% to 12.0% annual, with varying maturity dates	$20,338,741	$20,338,741

Less Debt Discounts	($241,597)	($241,597)
Less Current Portion	($5,025,849)	($5,025,849)
Total long term debt	$27,071,295	
Equity – fully diluted	$11,684,042	
Subordinate Voting Shares[(1) (2)]	Nil	109,811,000
Options	Nil	Nil
Broker Warrants[(3)]	Nil	535,446
Fully diluted issued and outstanding	6,578.90	110,346,446

Notes:

(1) Assuming the conversion of the outstanding Multiple Voting Shares and Super Voting Shares into Subordinate Voting Shares and 200,000 Subordinate Voting Shares are issued by the Resulting Issuer pursuant to the Transaction. For additional information on the SR Offering, see "Narrative Description of the Business – The Financing".

(2) Assuming completion of the Share Split.

(3) Each Broker Warrant is exercisable to purchase one Subordinate Voting Share at an exercise price of C$6.00 for 24 months following the closing of the Transaction. For additional information on the SR Offering, see "*Narrative Description of the Business – SR Offering*".

9. Options to Purchase Securities

The Corporation has in place a stock option plan which was last approved by the shareholders of the Corporation on June 25, 2014. There are no stock options issued and outstanding.

On August 15, 2018, shareholders of the Corporation approved the New Stock Option Plan, the principal terms of which are described below.

The New Stock Option Plan shall be administered by the board of directors of the Resulting Issuer (the "**Board**"), or if appointed, by a special committee of directors appointed from time to time by the Board. The aggregate number of Subordinate Voting Shares which may be reserved for issue under the New Stock Option Plan shall not exceed 10% of the issued and outstanding number of Subordinate Voting Shares. The number of Subordinate Voting Shares subject to an option to a participant shall be determined by the Board, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Subordinate Voting Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Subordinate Voting Shares covered by each option shall be determined by the Board, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Subordinate Voting Shares are then listed, or other regulatory body having jurisdiction. The maximum length any option shall be 10 years from the date the option is granted, provided that participant's options expire 90 days after a participant ceases to act for the Resulting Issuer, subject to extension at the discretion of the Board, except upon the death of a participant, in which case the participant's estate shall have 12 months in which to exercise the outstanding options. The New Stock Option Plan includes a provision that should an option expiration date fall within a blackout period or immediately following a blackout period, the expiration date will automatically be extended for 10 business days following the end of the blackout period. The Board has the absolute discretion to amend or terminate the New Stock Option Plan. The New Stock Option Plan is subject to receipt of the annual ratification of shareholders of the Resulting Issuer and annual CSE acceptance.

As of the date of this Listing Statement, there are no options issued and outstanding under the option plan of the Corporation or the New Stock Option Plan.

10. Description of the Securities

Authorized and Issued Share Capital

The Resulting Issuer will be authorized to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of Super Voting Shares. Upon completion of the Transaction, the outstanding capital of the Corporation consists of: (i) 7,554,050 Subordinate Voting Shares; (ii) 170,102.50 Multiple Voting Shares; and 852,466 Super Voting Shares.

Take-Over Bid Protection

Under applicable Canadian law, an offer to purchase Super Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares or Multiple Voting Shares. In accordance with the rules applicable to most senior issuers in Canada, in the event of a take-over bid, the holders of Subordinate Voting Shares or of Multiple Voting Shares will be entitled to participate on an equal footing with holders of Super Voting Shares. The Principals, as the owners of all the outstanding Super Voting Shares, will enter into a customary coattail agreement with the Corporation and a trustee (the "**Coattail Agreement**"). The Coattail Agreement will contain provisions customary for dual class, listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares or of Multiple Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Super Voting Shares had been Subordinate Voting Shares or Multiple Voting Shares.

The undertakings in the Coattail Agreement will not apply to prevent a sale by any Principal of Super Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares and Multiple Voting Shares that:

(i) offers a price per Subordinate Voting Share or Multiple Voting Share (on an as converted to Subordinate Voting Share basis) at least as high as the highest price per share paid pursuant to the take-over bid for the Super Voting Shares (on an as converted to Subordinate Voting Share basis);

(ii) provides that the percentage of outstanding Subordinate Voting Shares or Multiple Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Super Voting Shares to be sold (exclusive of Super Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(iii) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares or Multiple Voting Shares tendered if no shares are purchased pursuant to the offer for Super Voting Shares; and

(iv) is in all other material respects identical to the offer for Super Voting Shares.

In addition, the Coattail Agreement will not prevent the transfer of Super Voting Shares by a Principal to a Permitted Holder (as defined below). The conversion of Super Voting Shares into Multiple Voting Shares, whether or not such Multiple Voting Shares are subsequently sold or converted into Subordinate Voting Shares, would not constitute a disposition of Super Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any disposition of Super Voting Shares (including a transfer to a pledgee as security) by a holder of Super Voting Shares party to the agreement will be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Super Voting Shares are not automatically converted into Multiple Voting Shares in accordance with the Articles. The Coattail Agreement will contain provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares or of the Multiple Voting Shares. The obligation of the trustee to take such action will be conditional on the Corporation or holders of the Subordinate Voting Shares or of the Multiple Voting Shares, as the case may be, providing such funds and indemnity as the trustee may require. No holder of Subordinate Voting Shares or of Multiple Voting Shares, as the case may be, will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares or of Multiple Voting Shares, as the case may be, and reasonable funds and indemnity have been provided to the trustee. The Resulting Issuer will agree to pay the reasonable costs of any action that may be taken in good faith by holders of Subordinate Voting Shares or of Multiple Voting Shares, as the case may be, pursuant to the Coattail Agreement.

The Coattail Agreement will provide that it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of any applicable securities regulatory authority in Canada and (b) the approval of at least 66-2/3% of the votes cast by holders of Subordinate Voting Shares and 66-2/3% of the votes cast by holders of Multiple Voting Shares excluding votes attached to Subordinate Voting Shares and to Multiple Voting Shares, if any, held by the Principal Shareholders, their affiliates and any persons who have an agreement to purchase Super Voting Shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement other than as permitted thereby.

No provision of the Coattail Agreement will limit the rights of any holders of Subordinate Voting Shares or of Multiple Voting Shares under applicable law.

Subordinate Voting Shares (formerly, Common Shares of the Corporation)

Voting Rights. Holders of the Subordinate Voting Shares are entitled to notice of and to attend any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation shall have the right to vote. At each such meeting holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held.

Alteration to Rights of Subordinate Voting Shares. As long as any Subordinate Voting Shares remain outstanding, the Corporation may not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

Dividends. Holders of Subordinate Voting Shares are entitled to receive as and when declared by the directors, dividends in cash or property of the Corporation. No dividend will be declared or paid on the Subordinate Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares and Super Voting Shares.

Liquidation, Dissolution or Winding-Up. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares are, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Subordinate Voting Shares, entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis), Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

Rights to Subscribe; Pre-Emptive Rights. Holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Corporation now or in the future.

Subdivision or Consolidation. No subdivision or consolidation of the Subordinate Voting Shares, Multiple Voting Shares or Super Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares are subdivided or consolidated in the same manner or such other adjustment is made so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Super Voting Shares

The Super Voting Shares are only issuable in connection with the closing of the Transaction.

Voting Rights. Holders of Super Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation shall have the right to vote. At each such meeting, holders of Super Voting Shares are be entitled to two votes in respect of each Subordinate Voting Share into which such Super Voting Share could ultimately then be converted (initially, 200 votes per Super Voting Share).

Alteration to Rights of Super Voting Shares. As long as any Super Voting Shares remain outstanding, the Corporation may not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares. Consent of the holders of a majority of the outstanding Super Voting Shares is required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Super Voting Shares. In connection with the exercise of the voting rights in respect of any proposed alteration of rights, each holder of Super Voting Shares has one vote in respect of each Super Voting Share held.

Dividends. Holders of Super Voting Shares have the right to receive dividends, out of any cash or other assets legally available therefor, pari passu (on an as converted to Subordinated Voting Share basis) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend is to be declared or paid on the Super Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Multiple Voting Shares.

Liquidation, Dissolution or Winding-Up. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, holders of Super Voting Shares are, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Super Voting Shares, entitled to participate rateably along with all other holders of Super Voting Shares (on an as-converted to Subordinate Voting Share basis), Subordinate Voting Shares and Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis).

Rights to Subscribe; Pre-Emptive Rights. Holders of Super Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Corporation now or in the future.

Conversion. Holders of Super Voting Shares Holders have the following conversion rights (the "**Conversion Rights**"):

(i) **Right to Convert**. Each Super Voting Share is convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such shares, into such number of fully paid and non-assessable Multiple Voting Shares as is determined by multiplying the number of Super Voting Shares by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Super Voting Share is surrendered for conversion. The initial "**Conversion Ratio**" for the Super Voting Shares is one Multiple Voting Share for each Super Voting Share, subject to adjustment in certain events.

(ii) **Automatic Conversion**. A Super Voting Share will automatically be converted (without further action by the holder thereof) into one Multiple Voting Share upon the transfer by the holder thereof to anyone other than another Initial Holder, an immediate family member of an Initial Holder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by an Initial Holder or immediate family members of an Initial Holder or which an Initial Holder or immediate family members of an Initial Holder are the sole beneficiaries thereof (the **Transfer Conversion**"). In addition, each Super Voting Share held by a particular Initial Holder will automatically be converted without further action by the holder thereof into Multiple Voting Shares at the Conversion Ratio for each Super Voting Share held if at any time the aggregate number of issued and outstanding Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder and that Initial Holder's predecessor or transferor, permitted transferees and permitted successors, divided by the number of Super Voting Shares beneficially owned, directly or indirectly, by that Initial Holder (and the Initial Holder's predecessor or transferor, permitted transferees and permitted successors) as at the date of completion of the Business Combination is less than 50% (the "**Threshold Conversion**"). Each Super Voting Share will also automatically be converted (the "**Sunset Conversion**" and together with the Transfer Conversion and Threshold Conversion, the "**SVS Mandatory Conversion**"), without further action by the holder thereof, into Multiple Voting Shares at the Conversion Ratio for each Super Voting Share held on the date that is 30 months following the closing of the Transaction.

(iii) **Anti-Dilution**. The Super Voting Shares are subject to standard anti-dilution adjustments in the event the Corporation declares a distribution to holders of Multiple Voting Shares, effects a recapitalization of the Multiple Voting Shares, issues Multiple Voting Shares as a dividend or other distribution on outstanding Multiple Voting Shares, or subdivides or consolidates the outstanding Multiple Voting Shares.

(iv) **No Fractional Shares and Certificate as to Adjustments**. No fractional Multiple Voting Shares shall be issued upon the conversion of any share or shares of Super Voting Shares and the number of Multiple Voting Shares to be issued shall be rounded up to the nearest whole Multiple Voting Share.

Multiple Voting Shares

Voting Rights. Holders of Multiple Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation have the right to vote. At each such meeting, holders of Multiple Voting Shares are entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could ultimately then be converted (initially, 100 votes per Multiple Voting Share).

Alteration to Rights of Multiple Voting Shares. As long as any Multiple Voting Shares remain outstanding, the Corporation may not, without the consent of the holders of the Multiple Voting Shares and Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. In connection with the exercise of the voting rights relating to any proposed alteration of rights, each holder of Multiple Voting Shares has one vote in respect of each Multiple Voting Share held.

Dividends. Holders of Multiple Voting Shares have the right to receive dividends, out of any cash or other assets legally available therefor, pari passu (on an as converted basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the Conversion Ratio) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend may be declared or paid on the Multiple Voting Shares unless the Corporation simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares and Super Voting Shares.

Liquidation, Dissolution or Winding-Up. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, holders of Multiple Voting Shares, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Multiple Voting Shares, are entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis), Subordinate Voting Shares and Super Voting Shares (on an as-converted to Subordinate Voting Share basis).

Rights to Subscribe; Pre-Emptive Rights. Holders of Multiple Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Corporation now or in the future.

Conversion. Subject to the Conversion Restrictions described below, holders of Multiple Voting Shares Holders have the following conversion rights (the "**Conversion Rights**"):

(i) **Right to Convert**. Each Multiple Voting Share is convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares by the Conversion Ratio applicable to such share in effect on the date the Multiple Voting Share is surrendered for conversion. The initial "**Conversion Ratio**" for Multiple Voting Shares is 100 Subordinate Voting Shares for each Multiple Voting Share, subject to adjustment in certain events.

(ii) **Conversion Limitations**. The Corporation is to use commercially reasonable efforts to maintain its status as a "foreign private issuer" (as determined in accordance with Rule 3b-4 under the Exchange Act. Accordingly, the Corporation shall not affect any conversion of Multiple Voting Shares, and holders of Multiple Voting Shares may not convert any portion of the Multiple Voting Shares to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents would exceed 40% (the "**40% Threshold**") of the aggregate number of Subordinate Voting Shares, Super Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the "**FPI Protective Restriction**"); provided the Board may, by resolution, increase the 40% Threshold to an amount not to exceed 50%.

(iii) **Mandatory Conversion**. The Corporation may require each holder of Multiple Voting Shares (including any holder of Multiple Voting Shares issued upon conversion of the Super Voting Shares) to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio if at any time all the following conditions are satisfied (or otherwise waived by special resolution of holders of Multiple Voting Shares):

(A) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the United States Securities Act of 1933, as amended;

(B) the Corporation is subject to the reporting requirements of Section 13 or 15(d) of the United States Exchange Act of 1934, as amended; and

(C) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the CSE or Aequitas NEO Exchange (or any other stock exchange recognized as such by the Ontario Securities Commission).

(iv) **Anti-Dilution**. The Multiple Voting Shares are subject to standard anti-dilution adjustments in the event the Corporation declares a distribution to holders of Subordinate Voting Shares, effects a recapitalization of the Subordinate Voting Shares, issues Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares, or subdivides or consolidates the outstanding Subordinate Voting Shares.

(v) **No Fractional Shares and Certificate as to Adjustments.** No fractional Subordinate Voting Shares shall be issued upon the conversion of any share or shares of Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded up to the nearest whole Subordinate Voting Share.

10.7 Prior Sales of Common Shares

The Corporation

The following tables set forth the issuances of Common Shares of the Corporation within the last 12 months prior to the date of this Listing Statement (excluding securities issued upon closing of the Transaction).

Date Issued Date Issued	Number of Common Shares(1)	Issue Price per Share ($)	Aggregate Issue Price ($)	Nature of Consideration
August 16, 2018	1,958,613	$0.04	$78,344.53	Debt Settlement
July 10, 2018	10,268,987	$0.04	$410,759.48	Debt Settlement

Notes:

(i) Prior to the Consolidation of the Corporation's common shares on an 81 for one basis to be completed in connection with the closing of the Transaction. For further information on the debt settlement transactions, please see the press releases of the Corporation dated July 10, 2018 and August 16, 2018 filed on SEDAR.

Trulieve

Immediately prior to the Business Combination, there were 6,578.9 shares of common stock of Trulieve issued and outstanding. The following tables set forth the issuances of securities of Trulieve within the last 12 months prior to the date of this Listing Statement (excluding securities issued upon closing of the Transaction).

Date Issued Date Issued	Number of Common Shares(1)	Issue Price per Share ($)	Aggregate Issue Price ($)	Nature of Consideration
November 2017	1,315.78	N/A	N/A	Convertible Note / Financing
January 2018	65.78	N/A	N/A	Financing
February 2018	131.56	N/A	N/A	Shareholder Transaction
March 2018	65.78	N/A	N/A	Financing
April 2018	65.78	N/A	N/A	Financing
May 2018	65.78	N/A	N/A	Financing
August 2018	10,927,500(2)	CDN $6.00	CDN $65,565,000	Financing

Notes:

(1) All figures prior to the Share Split.
(2) Pursuant to the SR Offering, Trulieve issued an aggregate of 10,927,500 Subscription Receipts. See Section 4 – *Narrative Description of the Business – SR Offering*

10.8 Stock Exchange Price

None of the matters set out in sections 10.8 of CSE – Form 2A are applicable to Subordinate Voting Shares or the Corporation Shares.

11. Escrowed Securities

The Resulting Issuer is not subject to escrow. Directors, officers and significant shareholders of the Resulting Issuer have entered into lock-up agreements pursuant to which such parties have agreed, subject to customary carve-outs and exceptions, not to sell any Subordinate Voting Shares (or announce any intention to do so), or any securities issuable in exchange therefor, for a period of 180 days from the date of the Transaction.

12. Principal Shareholders

12.1 Principal Shareholders

Except as set forth below, to the knowledge of the directors and executive officers of the Corporation, following completion of the Transaction, no person or corporation will beneficially own, directly or indirectly, or exercise control or direction over, Issuer Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation (either on an undiluted or fully diluted basis).

As of the date of this Listing Statement, the following persons hold more than 10% of any class of voting Securities of the Issuer on an undiluted basis:

Name	Number of Shares of the Resulting Issuer(1)	Class of Shares (5)	Ownership	Percentage of Class
Kim Rivers	159,867	Super Voting Shares	Beneficial and of Record	18.75%
Ben Atkins	112,333	Super Voting Shares	Beneficial and of Record	13.18%
Kopus, LLC(2)	140,133	Super Voting Shares	Beneficial and of Record	16.44%
Shade Leaf Holding, LLC(3)	150,000	Super Voting Shares	Beneficial and of Record	17.6%
Telogia Pharm, LLC(4)	140,133	Super Voting Shares	Beneficial and of Record	16.44%
Thad Beshears	150,000	Super Voting Shares	Beneficial and of Record	17.6%

Notes:
(1) Assuming completion of the Share Split.
(2) KOPUS, LLC is controlled by Jason Pernell, a director of Trulieve..
(3) Shade Leaf Holding, LLC is controlled by Richard May, a director of Trulieve.
(4) Telogia Pharm, LLC is controlled by George Hackney, Sr., a director of Trulieve.
(5) The 852,466 Super Voting Shares are convertible into an aggregate of 85,246,600 Subordinate Voting Shares. See Section 10 – Description of Share Capital.

12.3 Voting Trusts

To the knowledge of the Corporation, no voting trust exists within the Corporation such that more than 10% of any class of voting securities of the Corporation are held, or are to be held, subject to any voting trust or other similar agreement

12.4 Associates and Affiliates

To the knowledge of the Corporation none of the principal shareholders is an Associate or Affiliate of any other principal shareholder.

13 Directors and Officers

13.1 – 13.5 Directors and Officers

The Articles of the Corporation provide for a minimum of one director and a maximum of 10 directors. Shareholders of the Corporation have authorized the directors of the Corporation, by resolution, to determine the number of directors within the minimum and maximum number of directors set out in the Articles. Each director holds office until the close of the next annual general meeting of the Corporation, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The Board currently consists of six directors, of whom two can be defined as an “unrelated director” or a director who is independent of management and is free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Resulting Issuer, other than interests and relationships arising from shareholders, and do not have interests in or relationships with the Resulting Issuer.

The following table lists the names, municipalities of residence of the proposed directors and officers of the Resulting Issuer, their positions and offices to be held with the Resulting Issuer, their principal occupations during the past five years, the date on which they first became officers or directors of Trulieve and the number of securities of the Corporation that are beneficially owned, directly or indirectly, or over which control or direction will be exercised by each.

Name, Municipality of Residence and Position Held	Principal Occupation for Past Five Years	Trulieve Director or Officer Since	Number and Percentage of Common Shares Beneficially Owned or Controlled Prior to the Transaction(1)	Number and Percentage of Super Voting Shares, Multiple Voting Shares (as applicable) Beneficially Owned or Controlled After the Transaction(1)	Subordinate Voting Shares (as applicable) Beneficially Owned or Controlled After the Transaction(1)
Kim Rivers Tallahassee, Florida Chief Executive Officer, Chairman and Director	Lawyer, business owner, CEO of Trulieve	November, 2015	165,669 (16.8%)(2)	159,867 Super Voting Shares 5,802 Multiple Voting Shares	16,566,900
Mohan Srinivasan	Chief Financial Officer,	June, 2018	Nil	Nil	8,668

Clearwater, Florida Chief Financial Officer	Consultant				
Kevin Darmody Palm Harbor, Florida Investor Relations	Banker	April, 2018	Nil	Nil	21,670
Jason Pernell Tallahassee, Florida Chief Information Officer	Co-Founder SACS, LLC, Co-Founder 3Jays, LLC and Co-Founder G-% Engineering Solutions	November, 2015	48,752 (4.9%)[(3)]	48,752 Super Voting Shares	4,875,227
Thomas Craig Kirkland Tallahassee, Florida Research and Development Manager	Co-Founder SACS, LLC, Co-Founder 3Jays, LLC and Co-Founder G-% Engineering Solutions	November, 2015	46,286 (4.7%)[(4)]	46,286 Super Voting Shares	4,628,593
Kenneth Brummel-Smith Tallahassee, Florida Medical Director	Professor and Public Speaker	June, 2016	Nil	Nil	520
Robert Spurgeon Tallahassee, Florida Processing Manager	Pharmaceutical Operations Manager	February, 2018	Nil	Nil	Nil
Victoria Walker Safety Harbor, Florida Marketing Manager	Director of Marketing and Community Relations Manager	July, 2016	82 (.008%)[(5)]	82 Multiple Voting Shares	8,200
Steven Ferrell Tallahassee, Florida Senior Human Resources Director	Human Resources Director	November, 2017	Nil	Nil	8,668
Jordan Atkins Clearwater, Florida Head of	Dispensary Operations	March, 2016	43,160 (4.4%)[(6)]	43,160 Multiple Voting Shares	4,316,000

Dispensary Operations					
Kyle Landrum Tallahassee, Florida Cultivation Manager	Management & Cultivation Manager	October, 2017	Nil	Nil	8,668
Ben Atkins Clearwater, Florida Director	Chairman of Nursing Home Management Co.	November, 2017	114,486 (11.6%)[(7)]	112,333 Super Voting Shares 2,152 Multiple Voting Shares	11,233,300
Thad Beshears Monticello, Florida Director	Co-Owner and COO of Simpson Nurseries	November, 2015	152,968 (15.5%)[(8)]	150,000 Super Voting Shares 2,968 Multiple Voting Shares	15,000,000
George Hackney Quincy, Florida Director	President and Owner of Hackney Nursery	November, 2015	28,528 (2.9%)[(9)]	28,026.6 Super Voting Shares 501 Multiple Voting Shares	2,802,660
Richard May Quincy, Florida Director	General Manager and Sales Manager of May Nurseries	November 2015	18,877 (1.9%)[(10)]	18,750 Super Voting Shares 127 Multiple Voting Shares	1,875,150
Michael J. O'Donnell, Sr. New Smyrna Beach, Florida Director	Executive Director of Office of Innovation and Entrepreneurship at University of Central Florida	June, 2018	41,339 (4.2%)[(11)]	41,339 Super Voting Shares	4,135,325

Notes:

(1) On an as-if converted basis, assuming completion of the Share Split.
(2) Indirect Share ownership through Traunch Four, LLC, Clearwater GCP, LLC
(3) Share Ownership through Kopus, LLC
(4) Indirect Share ownership through Kopus, LLC
(5) Share ownership through Track V, LLC
(6) Indirect Share ownership through Clearwater GCP
(7) Indirect Share ownership through Track V, LLC, Clearwater GCP, LLC
(8) Indirect Share ownership through Traunch Four
(9) Indirect Share ownership through Telogia Pharm ,LLC, Traunch Four, LLC
(10) Indirect Share ownership through Shade Leaf Holding, LLC, Traunch Four, LLC
(11) Indirect Share ownership through Kopus, LLC
(12) Member of the Audit Committee
(13) Member of the Compensation Committee

Upon completion of the Transaction, all directors, officers and Insiders, as a group, will beneficially own, directly or indirectly, the following shares of the Resulting Issuer: (i) 0 Subordinate Voting Shares or 0% (non-diluted); (ii) 54,792 Multiple Voting Shares or approximately 32% (non-diluted); and 605,354 Super Voting Shares or approximately 71% non-diluted.

Each of the executives has entered into a five-year non-competition agreement with Trulieve.

Board Committees

The Resulting Issuer currently has an audit committee and compensation committee. A brief description of each committee is set out below. Following the completion of the Transaction, the directors of the Resulting Issuer intend to establish such committees of the board as determined to be appropriate in addition to the audit committee and compensation committee.

Audit Committee

The audit committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The audit committee reviews the financial reports and other financial information provided by the Resulting Issuer to regulatory authorities and its shareholder and reviews the Resulting Issuer's system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

The members of the audit committee after completion of the Transaction include the following three directors. Also indicated is whether they are "independent" and "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Name of Member	Independent(1)	Financially Literate(2)
Richard May	Yes	Yes
Michael O'Donnell	Yes	Yes
Benjamin Atkins	No	Yes

Notes:
(1) A member of the audit committee is independent if he or she has no direct or indirect 'material relationship' with the Resulting Issuer. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Corporation, such as the President or Secretary, is deemed to have a material relationship with the Resulting Issuer.
(2) A member of the audit committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.

Compensation Committee

The Compensation Committee assists the Board in fulfilling its responsibilities for compensation philosophy and guidelines, and fixing compensation levels for the Resulting Issuer's executive officers. In addition, the compensation committee is charged with reviewing the New Stock Option Plan and proposing changes thereto, approving any awards of options under the New Stock Option Plan and recommending any other employee benefit plans, incentive awards and perquisites with respect to the Resulting Issuer's executive officers. The Compensation Committee is also responsible for reviewing, approving and reporting to the Board annually (or more frequently as required) on the Resulting Issuer's succession plans for its executive officers.

The proposed members of the Compensation Committee after completion of the Transaction include the following three directors: Benjamin Atkins, Richard May and Michael O'Donnell.

13.6 – 13.9 Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

No proposed director or officer of the Resulting Issuer, or shareholder holding a sufficient number of shares of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within 10 years before the date of this Listing Statement has been, a director or officer of any company that, while the person was in such capacity:

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

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

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

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

No proposed director or officer of the Resulting Issuer, or shareholder holding a sufficient number of shares of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

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

Mr. Ben Atkins, a director of the Resulting Issuer, was declared bankrupt under Chapter 13 of the Bankruptcy Code (United States) in 1998. An order discharging Mr. Atkins was granted on August 24, 1999.

13.10 Existing or Potential Material Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer also holding positions as directors or officers of other companies. Conflicts, if any, will be subject to the procedures and remedies provided under *Business Corporations Act* (British Columbia).

13.11 Management

Brief Descriptions of the biographies of the directors and officers of the Resulting Issuer are set out below:

Kim Rivers - Chief Executive Officer and Chairman of the Board (Age 40)

Ms. Rivers received her Bachelor's degree in Multinational Business and Political Science from Florida State University and her Juris Doctorate from the University of Florida. Ms. Rivers is a member of the Georgia Bar association and she spent several years in private practice as a lawyer where she specialized in mergers, acquisitions, and securities for multi-million dollar companies. For over a decade, Ms. Rivers has run numerous successful businesses from real estate to finance.

Mohan Srinivasan - Chief Financial Officer (Age 65)

Mr. Srinivasan has over 35 years of experience in various areas of finance and accounting and is a versatile senior financial leader in both public and private companies. He has served as Chief Financial Officer for over 12 years with such high growth companies as AINS, Inc., ARA Inc., PPIC Ltd., and Household Financial Toronto where he assisted with strategic planning, capital raise, IPO preparation, governance, and public company reporting. Mr. Srinivasan earned a Master of Business Administration degree from the University of Toronto and has active CPA license in Florida and Ontario, Canada. He is also a qualified corporate director with ICD.D designation from the Institute of Corporate Directors of Canada. Mr. Srinivasan began working for the company in June, 2018, is a full-time employee and has signed a non-disclosure agreement with Trulieve. Prior to joining Trulieve, Mr. Srinivasan had no experience working in the cannabis industry.

Kevin Darmody - Investor Relations (Age 60)

Mr. Darmody received his Bachelor of Science in Biology from Dickinson College. He served in various senior management roles with Bear Stearns for 29 years and, more recently, with JPMorgan Chase & Co, and Bank Leumi. His achievements include creating and leading a successful, innovative start-up bank in a market-driven, fast-paced, client-focused culture. While serving as the bank's Chief Operating Officer and Chief Lending Officer, Mr. Darmody created cash management tools and operational products for the bank's clients that were not readily available on the Street. Mr. Darmody began working for Trulieve in April 2018, is a full-time employee and has signed a non-disclosure agreement with the company. Prior to joining Trulieve, Mr. Darmody had no experience working in the cannabis industry.

Jason Pernell - Chief Information Officer (Age 41)

Mr. Pernell is an experienced medical marijuana business owner in both California and Oregon. Mr. Pernell earned his Masters of Business Administration Degree from Florida State University after receiving his Bachelor of Science Degree in Electrical engineering. For the past decade, Mr. Pernell has owned and operated successful engineering consulting firms. Additionally, Mr. Pernell has operated several cannabis companies including SACS and 3Jays. Mr. Pernell is a founder and began working for Trulieve in November, 2015, is a full-time employee and has signed a non-disclosure agreement with Trulieve.

Craig Kirkland - Research and Development Manager (Age 55)

Craig Kirkland is currently the manager of IR&D at Trulieve where he directs internal research and development. Mr. Kirkland has led the development of all Trulieve extraction, manufacturing, and medical products. Prior to joining Trulieve, Mr. Kirkland co-founded G5 Engineering Solutions and served as its Chief Technology Officer. Other work experiences include acting as the Vice President of Engineering at ELBIT Systems of America, Chief Engineer at Tallahassee Technologies, Engineering design lead at General Dynamics, and a rocket scientist at Lockheed Martin. Additionally, Mr. Kirkland has operated several cannabis companies including SACS and 3Jays. Mr. Kirkland holds a Bachelor of Science in Computer Science with a minor in Mathematics from Northeast Louisiana University and a Master of Science in Computer Science with an emphasis on Logic Design and Switching Theory from the Florida Institute of Technology. Mr. Kirkland is a founder and began working for Trulieve in November, 2015, is a full-time employee and has signed a non-disclosure agreement with Trulieve.

K*enneth Brummel-Smith - Medical Director* (Age 69)

As Medical Director, Dr. Brummell-Smith advises Trulieve on medical issues involving cannabis products. He was first involved with cannabis products in Oregon with the legalization of medical cannabis under Oregon law. Dr. Brummel-Smith has spent a significant portion of his career treating and researching the aging and has served on numerous national boards. Dr. Brummell-Smith graduated from Loyola University in Los Angeles and received his MD from the University of Southern California. Dr. Brummell-Smith began working for Trulieve in June, 2016, is a part-time employee and has signed a non-disclosure agreement with Trulieve.

Robert Spurgeon – Processing Manager (Age 47)

Mr. Spurgeon is responsible for all processing operations with a focus on improving production efficiency and maintaining steady growth. He has extensive experience managing manufacturing processes in various industries, including the pharmaceutical field. Mr. Spurgeon holds a Bachelor of Science degree from Butler University. Mr. Spurgeon began working for Trulieve in February, 2018, is a full-time employee and has signed a non-disclosure agreement with the company. Prior to joining Trulieve, he has had no experience working in the cannabis industry.

Jordan Atkins – Head of Dispensary Operations (Age 23)

Mr. Atkins is responsible for managing the daily operations of Trulieve's dispensary system, including Trulieve's home delivery distribution network. Mr. Atkins works closely with production and processing to determine the inventory adequacy for all dispensaries. He began his career in California where he operated cannabis dispensaries. Mr. Atkins received his Bachelors of Science degree from the University of South Florida with a major in Health Science. Mr. Atkins is a founder and began working for Trulieve in March, 2016, is a full-time employee and has signed a non-disclosure agreement with Trulieve.

Kyle Landrum – Cultivation Manager (Age 32)

Mr. Landrum currently manages all aspects of the process of growing and harvesting cannabis plants. Additionally, Mr. Landrum plans the propagation pipeline and manages Trulieve's material acquisition activity. Mr. Landrum graduated from the University of Florida with a degree in Agriculture Economics and received his Master's degree in Agricultural Education. Mr. Landrum began working for Trulieve in October, 2017, is a full-time employee and has signed a non-disclosure agreement with Trulieve. Prior to joining Trulieve, Mr. Landrum had no experience working in the cannabis industry.

Victoria Walker – Director of Marketing and Community Relations (Age 33)

Ms. Walker began her career in sales across various media platforms then moved into a strategic marketing role responsible for developing customer-focused products and services, growing revenue and product profitability and expanding the customer base. Ms. Walker has also served as the Marketing and Community Relations Director for a national long-term care company focused on hospital and community relations, census growth and clinical program development. She is a graduate of the University of Pittsburgh. Ms. Walker began working for Trulieve in July, 2016, is a full-time employee and has signed a non-disclosure agreement with Trulieve. Prior to joining Trulieve, Ms. Walker had no experience working in the cannabis industry.

Steven Ferrell – Director of Human Resources (Age 48)

Steven Ferrell is the Senior Human Resources Director at Trulieve. He previously served as Employee Relations Manager with GlaxoSmithKline in Durham, NC. Mr. Ferrell also served in Human Resources Management with Delhaize America, supporting manufacturing, supply chain, and retail for 11 years. Mr. Ferrell studied Spanish Language & Literature at North Carolina State University, and Human Resources Management at Duke University. Mr. Farrell began working for Trulieve in November, 2017, is a full-time employee and has signed a non-disclosure agreement with Trulieve. Prior to joining Trulieve, Mr. Ferrell had no experience working in the cannabis industry.

Ben Atkins - Director (Age 48)

Mr. Atkins earned a Bachelor of Science and Master in Gerontology from the University of South Florida, in addition he has a Certified Master of Business Administration degree. Mr. Atkins has over 25 years of Healthcare Executive role experience. He is the majority owner of 35 senior health care facilities throughout the United States. Mr. Atkins has owned and managed several cannabis facilities in the State of California. Mr. Atkins is a founding member of Trulieve and serves on the Board.

Thad Beshears - Director (Age 44)

Mr. Beshears is the Co-Owner and Chief Operating Officer of Simpson Nurseries. He is responsible for all sales operations, production, and inventory tracking for the operation. Mr. Beshears is also the chief executive officer of Simpson Nurseries of Tennessee, where he develops and implements the company's strategic vision while monitoring the market for opportunities for growth and expansion. Mr. Beshears is a founding member of Trulieve and serves on the Board. Prior to working with Trulieve, he has had no experience working in the cannabis industry.

George Hackney – Director (Age 63)

Mr. Hackney is the President and Owner of the Hackney Nursery Company in Quincy, Florida. He has presided over all aspects of the operations of the company. Mr. Hackney has served on several agricultural industry associations' boards and has earned many honours for his commitment to the industry. Mr. Hackney is a founding member of Trulieve and serves on the Board. Prior to working with Trulieve, Mr. Hackney had no experience working in the cannabis industry.

Richard May – Director (Age 41)

Mr. May is the General Manager of May Nursery, Inc. where he also serves as the Sales Manager. He has sat on several agricultural industry boards. He has also served on the Gadsden County Chamber of Commerce Board, including a term as its chairman, as well as contributing to the general Gadsden County community. Mr. May graduated from Auburn University with Bachelor of Science degrees in Agricultural Economics and Horticulture. Mr. May is a founding member of Trulieve and serves on the Board. Prior to working with Trulieve, Mr. May had no experience working in the cannabis industry.

Michael J. O'Donnell, Sr. – Director (Age 67)

Mr. O'Donnell is the Executive Director of the Office of Innovation and Entrepreneurship at the University of Central Florida. He participates in business coaching, program development, business commercialization and trade missions. Mr. O'Donnell formed the Florida Angel Nexus, the FAN Fund I, LLP, which supports select state-wide emerging growth businesses. Additionally, Mr. O'Donnell is principal in MOD Ventures LLC, which invests in new ventures in various sectors. He holds a Bachelor of Science in Business Administration from Central Michigan University and a Master of Science in Management from the University of Central Florida. Mr. O'Donnell joined the Board in July, 2018. Additionally, Mr. ODonnell has been a co-founder of several cannabis companies, including Trulieve, SACS and 3Jays, and has been a Board Advisor since November 2015.

14. Capitalization

14.1 Issued Capital

To the best knowledge of the Corporation, the following table sets out the number of the Subordinate Voting Shares available in the Resulting Issuer's Public Float and Freely-Tradeable Float on a diluted and non-diluted basis:

Public Float	Number of Securities (non-diluted)	Number of Securities (fully-diluted)[1]	% of Issued (non-diluted)	% of Issued (fully diluted)
Total outstanding (A)	7,554,050	110,346,346	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or				

by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	0	98,683,400	0%	89.4%
Total Public Float (A-B)	7,554,050	11,662,946	100%	10.6%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)[(2)]	0	0	0%	0%
Total Tradeable Float (A-C)	7,554,050	110,346,346	100%	100%

Notes:

(1) There will be 170,102.50 Multiple Voting Shares and 852,466 Super Voting Shares issued and outstanding immediately following the completion of the Transaction. Each Super Voting Share is convertible into Multiple Voting Shares at the option of the holder or upon certain triggering events. Each Multiple Voting Share, including those issued upon conversion of the Super Voting Shares, is convertible into 100 Subordinate Voting Shares at the option of the holder or upon certain triggering events.

(2) In connection with the closing of the SR Offering, the directors, officers and certain shareholders of Trulieve entered into 120-day lock-up agreements in favour of the Agents. See Section 3.1 – General Development of the Business – SR Offering.

Public Securityholders (Registered)

Class of Security -

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	885	11,103.01
100 – 499 securities	39	7,523.08
500 – 999 securities	6	4,337
1,000 – 1,999 securities	10	13,462.06
2,000 – 2,999 securities	9	20,325.5
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	4	18,267
5,000 or more securities	95	7,502,510.85

	1,048	7,577,528.5

Public Securityholders (Beneficial)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	885	11,103.01
100 – 499 securities	39	7,523.08
500 – 999 securities	6	4,337
1,000 – 1,999 securities	10	13,462.06
2,000 – 2,999 securities	12	26,825.5
3,000 – 3,999 securities	1	3,340
4,000 – 4,999 securities	39	161,551
5,000 or more securities	168	7,502,510.85
Unable to confirm	0	0

Non-Public Securityholders (Registered)

Class of Security

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

14.2 Convertible or Exchangeable Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Super Voting Shares	852,466	85,246,600
Multiple Voting Shares	170,102.50	17,010,250
Warrants to acquire Trulieve Shares(1),(2)	10,981,090 Warrants	10,981,090
Broker Warrants(3)	535,446 Broker Warrants	535,446

Notes:

(1) The warrants shall be exchanged for warrants to acquire Subordinate Voting Shares of the Resulting Issuer pursuant to the Transaction.

(2) The warrants are not exercisable until the date that is 18 months following the listing date on the CSE.

(3) Pursuant to the SR Offering Trulieve issued the Agents an aggregate of 535,446 Broker Warrants. See Section 4 – *Narrative Description of the Business – SR Offering.*

In June, 2018, Trulieve issued warrants to acquire Common Shares of Trulieve to George Hackney, Jr., Jason Pernell, Craig Kirkland, Jordan Atkins, Ben Atkins and Kim Rivers. The warrants are exercisable to acquire such number of Common Shares, in the aggregate, as is equivalent to 8.0% of the issued and outstanding share capital of Trulieve at an exercise price per share to be determined had Trulieve had a market cap value of US $500,000,000. The warrants will be exchanged for warrants to acquire Subordinate Voting Shares of the Resulting Issuer having similar terms pursuant to the Transaction.

The warrants may not be exercised for 18 months following the closing of the Transaction (in addition to any lockout period mandated by the Agents or any stock exchange on which the securities of the Resulting Issuer may be listed). Thereafter, 50% of the securities underlying the warrants may be sold until the date which is 24 months following the Transaction, after which time the balance of the underlying securities may be sold (subject to any restrictions on such sales pursuant to applicable securities laws or the rules of any stock exchange on which the securities of the Resulting Issuer may be listed). The warrants expire on the date that is 36 months following the listing of the Subordinate Voting Shares on the CSE.

The Compensation Committee was also authorized to grant warrants representing 2% of the issued and outstanding share capital of Trulieve on similar terms to the following officers of the Corporation: the CEO, the CFO, HR Director, CIO, Cultivation Manager, Processing Manager, Medical Director, Investor Relations, R&D Manager, Dispensary Manager and Marketing Manager.

14.3 Other Listed Securities

Neither the Corporation nor Trulieve has any other listed securities reserve for issuance that are not included in Section 14.1 above.

15. Executive Compensation

The following table sets forth the anticipated compensation to be paid or awarded to the directors and the following executive officers of the Resulting Issuer: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) the three most highly compensated individuals whose total compensation was more than C$150,000; and (iv) Directors:

Name & position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or meeting fees ($)(3)	Value of Perquisites ($)	Value of all other compensation ($)	Total compensation
Kim Rivers, CEO and Director	2018	$150,000	-	-	-	-	$150,000
Mohan Srinivasan, CFO	2018	$200,000	-	-	-	-	$200,000
Don Guy Master Grower	2018	$175,000	-	-	-	-	$175,000
Jason Pernell CIO	2018	$150,000	-	-	-	-	$150,000
Thomas Craig Kirkland R&D Manager	2018	$150,000	-	-	-	-	$150,000

Compensation of Executives

When determining executive compensation, the Resulting Issuer’s practices will be designed to retain, motivate and reward the executive officers of the Resulting Issuer for their performance and contribution to the Resulting Issuer’s long-term success. The Board will seek to compensate the Resulting Issuer’s executive officers by combining short and long-term cash and equity incentives. It will also seek to reward the achievement of corporate and individual performance objectives, and to align executive officers’ incentives with shareholder value creation. The Board will seek to tie individual goals to the area of the executive officer’s primary responsibility. These goals may include the achievement of specific financial or business development goals.

The Compensation Committee of the Resulting Issuer will review and recommend the executive compensation arrangements and the employment agreements for the Chief Executive Officer and Chief Financial Officer. The ultimate decision will rest with the Chief Executive Officer in all cases.

Elements of Compensation

The compensation of the executive officers of the Resulting Issuer will include three major elements: (a) base salary, (b) an annual, discretionary cash bonus, and (c) long-term equity incentives, consisting of stock options under the New Stock Option Plan. These three principal elements of compensation are described below.

<u>Base Salary</u>

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be based on an assessment of factors such as the executive's performance, a consideration of competitive compensation levels in companies similar to the Resulting Issuer and a review of the performance of the Resulting Issuer as a whole and the role such executive played in such corporate performance.

Annual Cash Bonus

The Resulting Issuer, in its discretion, may award cash bonuses in order to motivate executives to achieve short-term corporate goals. The Compensation Committee will make recommendations to the Board who will approve cash bonuses.

The success of executive officers in achieving their individual objectives and their contribution to the Resulting Issuer in reaching its overall goals are factors in the determination of their cash bonus. The Board will assess each executive's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Resulting Issuer that arise on a day to day basis.

New Stock Option Plan

In connection with the Transaction, the Corporation's shareholders approved the New Stock Option Plan at the Meeting. For further details in respect of the New Stock Option Plan, please see Section 9 above.

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Employment, Termination and Change of Control Benefits

The Resulting Issuer is not a party to any compensation plan or arrangement with any of the executive officers or directors of the Resulting Issuer resulting from the resignation, retirement or the termination of employment of such person.

Director Compensation

The Board believes that directors should be provided with incentives to focus on long-term shareholder value. The Board believes that including equity options as part of director compensation helps align the interest of directors with those of the Resulting Issuer's shareholders. The Resulting Issuer seeks to attract exceptional talent to its Board. Therefore, the Resulting Issuer's policy will be to compensate directors competitively relative to comparable companies. The Resulting Issuer's Compensation Committee will, from time to time, present a report to the Board comparing the Resulting Issuer's director compensation with that of comparable companies. It is anticipated that the Resulting Issuer will pay compensation to its directors in the form of annual fees for attending meetings of the Resulting Issuer Board. Directors may receive additional compensation for acting as chairs of committees of the Resulting Issuer Board. Directors will also be entitled to receive stock options in accordance with the terms of the New Stock Option Plan and the CSE requirements and will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Resulting Issuer Board, committees of the Resulting Issuer Board or meetings of the shareholders of the Resulting Issuer. It is also anticipated that the Resulting Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Resulting Issuer will agree to indemnify its directors to the extent permitted by applicable law.

16. Indebtedness of Directors and Executive Officers

Upon completion of the Transaction, none of the directors or officers of the Resulting Issuer, nor any of their Associates, will be indebted to the Resulting Issuer, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer.

17. Risk Factors

If the Transaction and concurrent listing on the CSE are completed as contemplated, the current business of Trulieve will become the business of the Resulting Issuer. There are numerous risks associated with such business and the medical marijuana industry in general.

There are a number of risk factors that could cause future results of the Resulting Issuer to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Resulting Issuer faces. Additional risks and uncertainties, including those that the Resulting Issuer does not know about now or that it currently deems immaterial, may also adversely affect the Resulting Issuer's business. If any of the following risks actually occur, the Resulting Issuer's business may be harmed and its financial condition and results of operations may suffer significantly.

Cannabis is Illegal under Federal United States Law

The Resulting Issuer will derive 100% of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. While the Company's business activities are compliant with applicable state and local law, Cannabis is a Schedule 1 controlled substance and is illegal under United States federal law. Since federal law criminalizing the use of cannabis pre-empts state laws that legalize its use, strict enforcement of federal law regarding cannabis would harm the Resulting Issuer's business, prospects, results of operation, and financial condition.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in the Cole Memorandum addressed to all United States district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several US states have enacted laws relating to cannabis for medical purposes.

The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.
Medical cannabis is currently protected against enforcement by enacted legislation from United States Congress in the form of the Rohrabacher-Blumenauer Amendment which similarly prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding.

Subsequent to the issuance of the Sessions Memorandum on January 4, 2018, the United States Congress passed its omnibus appropriations bill, SJ 1662, which for the fourth consecutive year contained the Rohrabacher-Blumenauer Amendment language and continued the protections for the medical cannabis marketplace and its lawful participants from interference by the Department of Justice up and through the 2018 appropriations deadline of September 30, 2018. Due to the ambiguity of the Sessions Memorandum in relation to medical cannabis, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law.

Such potential proceedings could involve significant restrictions being imposed upon the Resulting Issuer, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Resulting Issuer's business, revenues, operating results and financial condition as well as the Resulting Issuer's reputation, even if such proceedings were concluded successfully in favour of the Resulting Issuer.
There can be no assurance as to the position any new administration may take on cannabis and a new administration could decide to enforce the federal laws strongly. Any enforcement of current federal laws could cause significant financial damage to the Resulting Issuer and its shareholders. Further, future presidential administrations may want to treat cannabis differently and potentially enforce the federal laws more aggressively.

United States Regulatory Uncertainty

The activities of the Resulting Issuer are subject to regulation by governmental authorities. The Resulting Issuer's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products in each jurisdiction in which it operates. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. Furthermore, although the operations of the Resulting Issuer are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Resulting Issuer's ability to import, distribute or, in the future, produce marijuana. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of marijuana, or more stringent implementation thereof could have a substantial adverse impact on the Resulting Issuer.

Because of the conflicting views between state legislatures and the federal government of the United States regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation, regulation, and enforcement. Unless and until the United States Congress amends the CSA with respect to cannabis or the Drug Enforcement Agency reschedules or de-schedules cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which would adversely affect the current and future operations of the Resulting Issuer in the United States. As a result of the tension between state and federal law, there are a number of significant risks associated with the Resulting Issuer's existing and future operations in the United States.

Changes to state or local laws and regulations could affect the Resulting Issuer's business

Cannabis is a new industry subject to extensive regulation at every level of government. In particular, state and local regulatory regimes with respect to cannabis are frequently changed, amended, adjusted, or otherwise modified to respond to varied pressures from stakeholders, regulators and the public. Such changes may require the Resulting Issuer to incur substantial legal and compliance costs and/or materially alter the Resulting Issuer's business plan.

Although the Resulting Issuer believes that its operations are currently carried out in accordance with all applicable rules and regulations of the State of Florida, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Resulting Issuer's ability to produce, process or sell cannabis. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of cannabis, or more stringent implementation thereof could have a substantially adverse impact on the Resulting Issuer.

There is uncertainty of existing protection from United States federal prosecution

Until September 2018, the DOJ is prohibited from expending any funds for the prosecution of medical cannabis businesses operating in compliance with state and local laws pursuant to the RBA. If the RBA or an equivalent thereof is not successfully amended to the next or any subsequent federal omnibus spending bill, the protection afforded thereby to United States medical cannabis businesses would lapse, and such businesses would be more at risk to prosecution under federal law. There is a possibility that all amendments may be banned from federal omnibus spending bills, and if this occurs and the substantive provisions of the Rohrabacher-Leahy Amendment are not included in the base federal omnibus spending bill or other law, these protections would lapse. The Resulting Issuer regularly monitors the regulatory activities of United States Congress. Fully 62% of the combined House of Representatives and the Senate represent states with medical marijuana laws enacted or in process.

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

There is significant uncertainty surrounding the policies of President Donald Trump and the Trump

Administration about recreational and medical cannabis. Attorney General Sessions is a well-known advocate against legalization of cannabis.

On January 4, 2018, Attorney General Jeff Sessions and the DOJ issued the Sessions Memorandum. The effect of the Sessions Memorandum has been to rescind the guidance issued on August 29, 2013 relative to medical and recreational marijuana enforcement under the 2013 Cole Memo. The effect of the Cole Memo's rescission remains to be seen. On the same day of the Sessions Memo's release, numerous government officials, legislators and federal prosecutors in states with medical and recreational marijuana statutes announced their intention to continue the Cole-Memo-era status quo despite the DOJ's decision to rescind it. The impact that this lack of uniformity between state and federal authorities could have on individual state cannabis markets and the businesses that operate within them is unclear and the enforcement of relevant federal laws is a significant risk.

There is no certainty as to how the DOJ, Federal Bureau of Investigation and other government agencies will handle cannabis matters in the future. There can be no assurances that the Trump administration would not change the current enforcement policy and decide to strongly enforce the federal laws. The Company regularly monitors the activities of the current administration for evidence that it will contravene the Rohrabacher-Leahy Amendment enacted by United States Congress.

The cannabis industry is a new industry that may not succeed

Should the federal government in the United States begin prosecuting those dealing in medical or other cannabis under applicable law, there may not be any market for the Resulting Issuer's products and services in the United States.

Cannabis is a new industry subject to extensive regulation, and there can be can be no assurance that it will grow, flourish or continue to the extent necessary to permit the Resulting Issuer to succeed. The Resulting Issuer is treating the cannabis industry as a deregulating industry with significant unsatisfied demand for its proposed products and will adjust its future operations, product mix and market strategy as the industry develops and matures.

Money Laundering Laws and Access to Banking

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

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

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

Heightened Scrutiny of Cannabis Companies in Canada

The Resulting Issuer's existing operations in the United States, and any future operations, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada.

Given the heightened risk profile associated with cannabis in the United States, CDS Clearing and Depository Services Inc. ("**CDS**") may implement procedures or protocols that would prohibit or significantly impair the ability of CDS to settle trades for companies that have cannabis businesses or assets in the United States.

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

Requirement to Maintain License in Florida

The Resulting Issuer's ability to grow, store and sell medical marijuana and cannabis oil in the State of Florida is dependent on maintaining its License with the Department. Failure to comply with the requirements of the License, or any failure to maintain any licenses held would have a material adverse impact on the business, financial condition and operating results of the Resulting Issuer.

To date, Trulieve's activities and resources have been focused within the state of Florida. The Resulting Issuer expects to continue the focus on this state as it continues to review further expansion opportunities into other jurisdictions in the United States. Adverse changes or developments within Florida could have a material and adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Agricultural Risks

The Resulting Issuer's business involves the growing of medical marijuana, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks.

Additional Financing

The Resulting Issuer may require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material and adverse effect on the Resulting Issuer's business, financial condition and results of operations or prospects. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Subordinate Voting Shares.

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in *infrastructure, growth, regulatory compliance and operations*

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Issuer's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. The Resulting Issuer's efforts to grow its business may be more costly than expected, and the Resulting Issuer may not be able to increase its revenue enough to offset its higher operating expenses. The Resulting Issuer may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Resulting Issuer is unable to achieve and sustain profitability, the market price of the securities of the Resulting Issuer may significantly decrease.

Unfavorable Tax Treatment of Cannabis Businesses

Under Section 280E ("**Section 280E**") of the United States Internal Revenue Code of 1986, as amended (the "**U.S. Tax Code**"), "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted." This provision has been applied by the United states Internal Revenue Service to cannabis operations, prohibiting them from deducting expenses directly associated with the sale of cannabis. Section 280E, therefore, has a significant impact on the retail side of cannabis, but a lesser impact on cultivation and manufacturing operations. A result of Section 280E is that an otherwise profitable business may, in fact, operate at a loss, after taking into account its United States income tax expenses.

The size of the Resulting Issuer's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data

Because the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Resulting Issuer and, few, if any, established companies whose business model the Resulting Issuer can follow or upon whose success the Resulting Issuer can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Resulting Issuer. There can be no assurance that the Resulting Issuer's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Intellectual Property Risks

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available to the Resulting Issuer. As a result, the Resulting Issuer's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third-parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Resulting Issuer can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, state or local level.

Contractual Risks

Because the Resulting Issuer's contracts involve cannabis and other activities that are not legal under

United States federal law and in some jurisdictions, the Resulting Issuer may face difficulties in enforcing its contracts in United states federal and certain state courts.

Risk of Civil Asset Forfeiture

Because the cannabis industry remains illegal under United states federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

Dependence on Personnel

The Resulting Issuer will depend on key managerial personnel for its continued success and the Resulting Issuer's anticipated growth may require additional expertise and the addition of new qualified personnel. The loss of the services of existing personnel, as well as the failure to recruit additional key managerial personnel in a timely manner, could harm the Resulting Issuer's business development programs, and the Resulting Issuer's ability to manage day-to-day operations, attract collaboration partners, attract and retain other employees, generate revenues, and could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

United States Tax Classification of the Resulting Issuer

The Resulting Issuer, which is and will continue to be a Canadian corporation as of the date of this Listing Statement, generally would be classified as a non-United States corporation under general rules of United States federal income taxation. Section 7874 of the U.S. Tax Code, however, contains rules that can cause a non-United States corporation to be taxed as a United States corporation for United States federal income tax purposes. Under section 7874 of the U.S. Tax Code, a corporation created or organized outside the United States. (i.e., a non-United States corporation) will nevertheless be treated as a United States corporation for United States federal income tax purposes (such treatment is referred to as an "Inversion") if each of the following three conditions are met (i) the non-United States corporation acquires, directly or indirectly, or is treated as acquiring under applicable United States Treasury Regulations, substantially all of the assets held, directly or indirectly, by a United States corporation, (ii) after the acquisition, the former stockholders of the acquired United States corporation hold at least 80% (by vote or value) of the shares of the non-United States corporation by reason of holding shares of the United States acquired corporation, and (iii) after the acquisition, the non-United States corporation's expanded affiliated group does not have substantial business activities in the non- United States corporation's country of organization or incorporation when compared to the expanded affiliated group's total business activities (clauses (i) – (iii), collectively, the "**Inversion Conditions**").

For this purpose, "expanded affiliated group" means a group of corporations where (i) the non-United States corporation owns stock representing more than 50% of the vote and value of at least one member of the expanded affiliated group, and (ii) stock representing more than 50% of the vote and value of each member is owned by other members of the group. The definition of an "expanded affiliated group" includes partnerships where one or more members of the expanded affiliated group own more than 50% (by vote and value) of the interests of the partnership.

The Resulting Issuer intends to be treated as a United States corporation for United States federal income tax purposes under section 7874 of the U.S. Tax Code and is expected to be subject to United States federal income tax on its worldwide income. However, for Canadian tax purposes, the Resulting Issuer is expected, regardless of any application of section 7874 of the U.S. Tax Code, to be treated as a Canadian resident company (as defined in the Income Tax Act (Canada) (the "**ITA**") for Canadian income tax purposes. As a result, the Resulting Issuer will be subject to taxation both in Canada and the United

States which could have a material adverse effect on its financial condition and results of operations.

Greater Risk of Audits

Based on anecdotal information, the Resulting Issuer believes there is a greater likelihood that the Internal Revenue Service will audit cannabis-related businesses, including the Resulting Issuer. Any such audit could result in the Resulting Issuer paying additional tax, interest and penalties, as well as incremental accounting and legal expenses.

Lack of Access to United States Bankruptcy Protections

Because cannabis is a Schedule I substance under the CSA, many courts have denied cannabis businesses federal bankruptcy protections, making it difficult for lenders to be made whole on their investments in the cannabis industry in the event of a bankruptcy. If the Resulting Issuer were to experience a bankruptcy, there is no guarantee that United States federal bankruptcy protections would be available to the Resulting Issuer, which would have a material adverse effect.

Dividends

It is unlikely that the Resulting Issuer will pay any dividends on the Subordinate Voting Shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purpose of the ITA will be subject to United States withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Canada-United States tax treaty. In addition, a foreign tax credit or a deduction in respect of foreign taxes may not be available.

Dividends received by United States shareholders will not be subject to United States withholding tax but will be subject to Canadian withholding tax. Dividends paid by the Resulting Issuer will be characterized as United States source income for purposes of the foreign tax credit rules under the United States Tax Code. Accordingly, United States shareholders generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have an excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor United States shareholders will be subject to United States withholding tax and will also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of United States withholding tax under any income tax treaty otherwise applicable to a shareholder of the Resulting Issuer, subject to examination of the relevant treaty.

Because the Subordinate Voting Shares will be treated as shares of a United States domestic corporation, the United States gift, estate and generation-skipping transfer tax rules generally apply to a non- United States shareholder of Subordinate Voting Shares.

Liability Claims

As a distributor of products designed to be ingested by humans, the Resulting Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. The Resulting Issuer may be subject to various product liability claims, including, among others, that the Resulting Issuer’s products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer’s reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Resulting Issuer.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Resulting Issuer's products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Additionally, if one of the Resulting Issuer's brands were subject to recall, the image of that brand and the Resulting Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the Resulting Issuer's results of operations and financial condition.

Consumer Perception

Trulieve believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of medical marijuana distributed to such consumers. Consumer perception of the Resulting Issuer's products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's products and the business, results of operations, financial condition and cash flows.

Security Risks

Given the nature of the Resulting Issuer's product and its lack of legal availability outside of channels approved by the Government of the United States, as well as the concentration of inventory in its facilities, despite meeting or exceeding all legislative security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of the Resulting Issuer's facilities could expose the Resulting Issuer to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing the Resulting Issuer's products.

In addition, the Resulting Issuer collects and stores personal information about its patients and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly patient lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

The Resulting Issuer's operations will depend, in part, on how well it protects its networks, equipment, information technology ("**IT**") systems and software against damage from a number of threats, including, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Resulting Issuer's operations will also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Resulting Issuer's reputation and results of operations.

Lack of Access to U.S. Bankruptcy Protections

Because the use of cannabis is illegal under United States federal law, many courts in the United states have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If the Resulting Issuer were to experience a bankruptcy, there is no guarantee that United States federal bankruptcy protections would be available to the Resulting Issuer, which would have a material adverse effect.

Potential FDA Regulation

Should the United States federal government legalize cannabis, it is possible that the United States Food and Drug Administration (the "**FDA**"), would seek to regulate it under the Food, Drug and Cosmetics Act of 1938. Additionally, the FDA may issue rules and regulations including good manufacturing practices, related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify efficacy and safety. It is also possible that the FDA would require that facilities where medical-use cannabis is grown register with the FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact would be on the cannabis industry is unknown, including what costs, requirements and possible prohibitions may be enforced. If the Resulting Issuer is unable to comply with the regulations or registration as prescribed by the FDA it may have an adverse effect on the Resulting Issuer's business, operating results and financial condition.

Competition

The Resulting Issuer may face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

If the number of users of medical marijuana in the United States increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

The Resulting Issuer's industry is experiencing rapid growth and consolidation that may cause the Resulting Issuer to lose key relationships and intensify competition

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Resulting Issuer in a number of ways, including losing customers, revenue and market share, or forcing the Resulting Issuer to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Resulting Issuer's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

Voting Control

As a result of the Super Voting Shares that they are anticipated to hold, Kim Rivers, the Chief Executive Officer and a director of the Resulting Issuer, Ben Atkins, a director of the Resulting Issuer, Thad Beshears, a director of the Resulting Issuer, and Telogia Pharm, LLC, KOPUS, LLC and Shade Leaf Holding, LLC, shareholders of the Resulting Issuer through which certain of the founders and directors indirectly hold shares of the Resulting Issuer, are anticipated to exercise a significant majority of the voting power in respect of the Resulting Issuer's outstanding shares upon completion of the Transaction. The Subordinate Voting Shares are expected to be entitled to one vote per share, Multiple Voting Shares are expected to be entitled to 100 votes per share, and the Super Voting Shares are expected to be entitled to up to 200 votes per share. As a result, the holders of the Super Voting Shares are expected to have the ability to control the outcome of all matters submitted to the Resulting Issuer's shareholders for approval, including the election and removal of directors and any arrangement or sale of all or substantially all of the assets of the Resulting Issuer.

This concentrated control could delay, defer, or prevent a change of control of the Resulting Issuer, arrangement or amalgamation involving the Resulting Issuer or sale of all or substantially all of the assets of the Resulting Issuer that its other shareholders support. Conversely, this concentrated control could allow the holders of the Super Voting Shares to consummate such a transaction that the Resulting Issuer's other shareholders do not support.

Unpredictability Caused by Anticipated Capital Structure and Voting Control

Although other Canadian-based companies have dual class or multiple voting share structures, given the capital structure contemplated in respect of the Resulting Issuer and the concentration of voting control that is anticipated to be held by the holders of the Super Voting Shares, this structure and control could result in a lower trading price for, or greater fluctuations in, the trading price of the Resulting Issuer's Subordinate Voting Shares or adverse publicity to the Resulting Issuer or other adverse consequences.

Sales of substantial amounts of Subordinate Voting Shares may have an adverse effect on the market price of the Subordinate Voting Shares

Sales of substantial amounts of Subordinate Voting Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Subordinate Voting Shares. A decline in the market prices of the Subordinate Voting Shares could impair the Resulting Issuer's ability to raise additional capital through the sale of securities should it desire to do so.

Volatile market price for the Subordinate Voting Shares

The market price for the Subordinate Voting Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Resulting Issuer's control, including, but not limited to, the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the cannabis industry;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on the issued and outstanding shares of the Resulting Issuer;
- regulatory changes affecting the cannabis industry generally and the business and operations of the Resulting Issuer;
- announcements of developments and other material events by the Resulting Issuer or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted, and the trading price of the Subordinate Voting Shares may be materially adversely affected.

Liquidity

The Resulting Issuer cannot predict at what prices the Subordinate Voting Shares of the Resulting Issuer will trade and there can be no assurance that an active trading market will develop or be sustained. Final approval of the CSE has not yet been obtained. There is a significant liquidity risk associated with an investment in the Resulting Issuer.

The Resulting Issuer is a Holding Company

The Resulting Issuer will be a holding company and essentially all of its assets are the capital stock of its subsidiary, Trulieve. As a holding company, the Resulting Issuer conducts substantially all of its business through Trulieve, which generates substantially all of its revenues. Consequently, the Resulting Issuer's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of Trulieve and the distribution of those earnings to the Resulting Issuer. The ability of Trulieve to pay dividends and other distributions will depend on its operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by a subsidiary company and contractual restrictions contained in the instruments governing any current or future indebtedness of Trulieve. In the event of a bankruptcy, liquidation or reorganization of Trulieve, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of Trulieve before the Resulting Issuer.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer, such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Subordinate Voting Shares. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Community Redevelopment Agency Investigation

In 2015, the United States Grand Jury for the North District of Florida began an investigation in to alleged corruption by local officials in Tallahassee, Florida. In June 2017, the grand jury issued subpoenas to the City of Tallahassee and the Community Redevelopment Agency (the "**Agency**") for records of communications, bids for proposals, applications, and more from approximately two dozen business entities and individuals, including Ms. Rivers, the Chief Executive Officer of Trulieve, her cohabitant, J.T. Burnette, and Inkbridge LLC, a business associated with Ms. Rivers. The grand jury also directly subpoenaed Ms. Rivers for information related to her involvement with the Agency, a specific commissioner of the Agency, and political contributions Ms. Rivers made through an associated business. Ms. Rivers timely complied with the subpoena. Ms. Rivers has not been charged with any crime. No information was requested of Ms. Rivers in her capacity as an officer, director or employee of Trulieve. Ms. Rivers promptly disclosed the subpoena to the Board and agreed to notify the Board of further developments. Upon disclosure, the Board met independently to consider the matter, the allegations raised thereunder and Ms. Rivers' response to same. In addition, a member of the Board retained counsel to investigate the matter. Based on such review, counsel to the Board member concluded Ms. Rivers was not a target[4] of the investigation. The Board considered the impact of any potential liability in allowing Ms. Rivers to continue as Chief Executive Officer of Trulieve in the face of the investigation and determined that no independent, formal investigation or further action was warranted at the time based on its understanding of the facts as represented by Ms. Rivers. Trulieve remains confident the investigation does not relate to Trulieve or Ms. Rivers' conduct as a director, officer or employee thereof and believes that Ms. Rivers has complied with all requests made of her to date pursuant to the investigation. The investigation however remains ongoing. While there can be no assurances given with respect to the outcome of the investigation, no government official has contacted Ms. Rivers or Trulieve as part of the investigation since Ms. Rivers produced documents in response to the subpoena in June, 2017. Ms. Rivers' counsel contacted the federal prosecutor supervising the investigation in July, 2018, who stated Ms. Rivers was currently not a target of the investigation. Trulieve does not know what impact, if any, this investigation will have on the Resulting Issuer's future efforts to maintain and obtain licenses in Florida or elsewhere. Any negative impact on the Resulting Issuer's Florida license could have a material adverse effect on the Resulting Issuer's business, revenues, operating results and financial condition. It is the Resulting Issuer's goal to create patients loyal to the Resulting Issuer's brand and in return to provide these patients a superior level of customer service and product selection. Any allegation of wrong doing on the part of Ms. Rivers as a result of the Agency investigation could harm the Resulting Issuer's reputation with its customers and could have a material adverse effect on the Resulting Issuer's business, revenues, operating results and financial condition as well as the Resulting Issuer's reputation, even if the Agency investigation was concluded successfully in favour of Ms. Rivers.

In addition, in the event the Agency investigation results in any allegation of wrongdoing or otherwise further targets Ms. Rivers, Ms. Rivers may be unable to continue serving as Chief Executive Officer and director of the Resulting Issuer. Qualified individuals within the cannabis industry are in high demand and the Resulting Issuer may incur significant costs to attract and retain qualified management personnel. The loss of the services of Ms. Rivers, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Resulting Issuer's ability to execute on its business plan and strategy, and the Resulting Issuer may be unable to find an adequate replacement on a timely basis. Upon the occurrence of certain events that would be considered to negatively impact Ms. Rivers' involvement with the Resulting Issuer, including her becoming a target of the investigation, Ms. Rivers has agreed to convert any Super Voting Shares controlled by her into Multiple Voting Shares.

Management of Growth

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

Increased Costs as a Result of Being a Public Company

As a public issuer, the Resulting Issuer will be subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Resulting Issuer's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Resulting Issuer's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business, financial condition, and results of operations.

[4] A "target" is a person as to whom the prosecutor or the grand jury has substantial evidence linking him or her to the commission of a crime and who, in the judgment of the prosecutor, is a putative defendant. https://www.justice.gov/usam/usam-9-11000-grand-jury#9-11.151

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as directors and officers of the Resulting Issuer and as directors and officers of such other companies.

The Resulting Issuer currently has insurance coverage; however, because the Resulting Issuer operates within the cannabis industry, there are additional difficulties and complexities associated with such insurance coverage

The Resulting Issuer believes will have insurance coverage with respect to workers' compensation, general liability, directors' and officers' insurance, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because the Resulting Issuer is engaged in and operates within the cannabis industry, there are exclusions and additional difficulties and complexities associated with such insurance coverage that could cause the Resulting Issuer to suffer uninsured losses, which could adversely affect the Resulting Issuer's business, results of operations, and profitability. There is no assurance that the Resulting Issuer will be able to obtain insurance coverage at a reasonable cost or fully utilize such insurance coverage, if necessary.

The Resulting Issuer is reliant on key inputs, such as water and utilities, and any interruption of these services could have a material adverse effect on the Resulting Issuer's finances and operation results

The Resulting Issuer's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Resulting Issuer. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Resulting Issuer.

Difficulty in Enforcing Judgments and Effecting Service of Process on Directors and Officers

The directors and officers of the Resulting Issuer reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for Resulting Issuer shareholders to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for Resulting Issuer shareholders to effect service of process within Canada upon such persons.

18. Promoters

18.1 – 18.2 Promoters

No person or company has been within the two years immediately preceding the date of this Listing Statement, a promoter of the Resulting Issuer.

19. Legal Proceedings

19.1 Legal Proceedings

There are no actual or contemplated legal proceedings material to the Resulting Issuer to which it or Trulieve is a party, or has been a party to, or of which any of the respective property thereof is or was the subject matter of, and no such proceedings or actions are known by the Resulting Issuer to be contemplated.

19.2 Regulatory Actions

There have been no (i) penalties or sanctions imposed against the Resulting Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement; (ii) other penalties or sanctions imposed by a court or regulatory body against the Resulting Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and (iii) settlement agreements the Resulting Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

20. Interest of Management and Others in Material Transactions

Other than as disclosed herein, no director or executive officer of the Resulting Issuer or person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the outstanding voting securities of the Resulting Issuer, or any associate or affiliate of any of the foregoing has or had any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, which has materially affected or will materially affect the Resulting Issuer or Trulieve.

21. Auditors, Transfer Agents and Registrars

21.1 Auditors

The auditors of the Corporation are McGovern Hurley, Cunningham, LLP located at 251 Consumers Rd suite 800, North York, Ontario M2J 1R3.

The auditors of Trulieve are Macias, Gini & O'Connell, LLP, at its office at 101 California Street, Suite 1825, San Francisco, California, 94111.

MNP LLP, Chartered Professional Accountants at its office located at 111 Richmond St W #300, Toronto, ON M5H 2G4

The auditors of the Resulting Issuer will be MNP LLP, Chartered Professional Accountants at its office located at 111 Richmond St W #300, Toronto, Ontario M5H 2G4.

21.2 Transfer Agent and Registrar

The transfer agent and registrar of the Corporation's common shares is Capital Transfer Agency Inc., at Suite 920, 390 Bay Street, Toronto, Ontario M5H 2Y2.

The Transfer Agent and registrar of the Resulting Issuer's Subordinate Voting Shares will be, Odyssey Trust Company, at its offices 835 - 409 Granville Street Vancouver British Columbia V6C 1T2.

22. Material Contracts

During the course of the two years prior to the date of the Listing Statement, the Resulting Issuer has entered into the following material contracts, other than contracts entered into in the ordinary course of business:

- the Definitive Agreement;
- the Trademark Licensing Agreement with Bhang;
- the Shelter Rock Note and Atkins mortgage;
- the Traunch Four Loan and Security Agreement;
- the Vandergraff Note;
- the Track V Note; and
- the Clearwater GPC, Traunch 4 and Rivers Notes.

23 Interest of Experts

No person or corporation whose profession or business gives authority to a statement made by the person or corporation and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer.

McGovern Hurley, Cunningham, LLP is independent of the Corporation in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of Ontario.

Macias, Gini & O'Connell, LLP, auditors of Trulieve, prepared the auditor's report for the audited financial statements of Trulieve as at and for the fiscal years ended December 31, 2016 and 2017. They are independent of Trulieve under applicable standards.

MNP LLP, Chartered Professional Accountants, is independent of Trulieve and the Resulting Issuer in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of Ontario.

24. Other Material Facts

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Resulting Issuer or its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer and its securities.

25. Financial Statements

25.1 Financial statement of the Corporation

Schedule "A" contains copies of all financial statements including the auditor's reports, where applicable, prepared and filed under applicable securities legislation for the preceding three years.

25.2 Financial statement of Trulieve

Schedule "B" contains copies of all financial statements including the auditor's reports, where applicable, prepared and filed under applicable securities legislation for the preceding two years.

CERTIFICATE OF THE ISSUER

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

Dated at Toronto, Ontario, this 21st day of September, 2018.

"*Lisa McCormack*"	"*Arvin Ramos*"
Lisa McCormack Chief Executive Officer	Arvin Ramos Chief Financial Officer
"*Arvin Ramos*"	"*Kelly Malcolm*"
Arvin Ramos Director	Kelly Malcolm Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Trulieve, Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Clearwater, Florida, this 21st day of September, 2018.

"*Kim Rivers*"	"*Mohan Srinivasan*"
Kim Rivers Chief Executive Officer	Mohan Srinivasan Chief Financial Officer
"*Ben Atkins*"	"*Thad Beshears*"
Ben Atkins Director	Thad Beshears Director

SCHEDULE "A"

FINANCIAL STATEMENTS OF
SCHYAN EXPLORATION INC.

EXPLORATION SCHYAN EXPLORATION INC.

Audited Financial Statements

For the years ended
December 31, 2016 and 2015

EXPLORATION **SCHYAN** EXPLORATION INC.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Statement of Financial Position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the period presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition and results of operations of the Company, as of the date of and for the period presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Mitchell E Lavery"
President and Chief Executive Officer

"George W. Rayfield"
Treasurer

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Schyan Exploration Inc.

We have audited the accompanying financial statements of Schyan Exploration Inc., which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of (loss) income and comprehensive (loss) income, statements of changes in equity (deficiency) and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Schyan Exploration Inc. as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Schyan Exploration Inc. had continuing losses during the year ended December 31, 2016 and a working capital deficiency as at December 31, 2016. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties which cast significant doubt about the ability of Schyan Exploration Inc. to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
May 1, 2017

EXPLORATION **SCHYAN** EXPLORATION INC.

Statements of Financial Position
(Expressed in Canadian Dollars)

As at December 31,	**2016**	2015
	$	$
Assets		
Current Assets		
Cash and cash equivalents *(Note 7)*	**52,216**	9,715
Short-term investments *(Note 8)*	**83,000**	112,000
Receivables and other assets *(Note 9)*	**4,170**	7,444
Total assets	**139,386**	129,159
Liabilities		
Current Liabilities		
Trade and other payables *(Note 10, 12)*	**138,895**	136,450
Due to related parties *(Note 11)*	**306,406**	288,778
Total liabilities	**445,301**	425,228
Shareholders' Deficiency		
Capital Stock *(Note 13)*	**531,694**	531,694
Share-based Payment Reserves *(Note 14)*	**36,262**	36,262
Deficit	**(873,871)**	(864,025)
Total shareholders' deficiency	**(305,915)**	(296,069)
Total liabilities and shareholder' deficiency	**139,386**	129,159

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 17)

APPROVED ON BEHALF OF THE BOARD ON MAY 1, 2017:

Signed "James N. Fairbairn"
Director

Signed "George W. Rayfield"
Director

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

EXPLORATION **SCHYAN** EXPLORATION INC.

Statements of (Loss) Income and Comprehensive (Loss) Income

(Expressed in Canadian Dollars)

For the Years Ended December 31,	**2016**	2015
	$	**$**
Revenue		
Interest Income	**-**	366
Administrative Expenses		
General and administrative	**16,377**	10,949
Shareholder information	**7,715**	7,426
Investor relations and travel	**9,085**	21,371
Professional fees *(Note 12)*	**14,736**	13,614
Exploration and evaluation expenditures *(Note 15)*	**55,713**	33,813
	(103,626)	(87,173)
Loss before the undernoted	**(103,626)**	(86,807)
Gain on sale of investment	**86,625**	-
Gain on settlement of debt *(Note 12)*	**-**	90,000
Change in fair value of short-term investment	**7,155**	34,000
Net (loss) income and comprehensive income (loss) for the year	**(9,846)**	37,193
(Loss) income per share - basic and diluted	**(0.002)**	0.01
Weighted average number of shares outstanding – basic and diluted	**3,961,372**	3,961,372

EXPLORATION SCHYAN EXPLORATION INC.

Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

	Capital Stock (Note 13)		**Reserves**		
	Number of shares	**Amount**	**Share based payments**	**Retained earnings (Deficit)**	**Total**
Balance at December 31, 2014	3,961,372	$ 531,694	$ 36,262	$ (901,218)	$ (333,262)
Net income for the year	-	-	-	37,193	37,193
Balance at December 31, 2015	3,961,372	$ 531,694	$ 36,262	$ (864,025)	$ (296,069)
Net income for the year	-	-	-	(9,846)	(9,846)
Balance at December 31, 2016	**3,961,372**	**$ 531,694**	**$ 36,262**	**$ (873,871)**	**$ (305,915)**

EXPLORATION **SCHYAN** EXPLORATION INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

For the Years Ended December 31,	**2016**	2015
	$	$
Operating activities		
Net (loss) income for the year	**(9,846)**	37,193
Adjustment to reconcile net loss to net cash used by operating activities:		
Change in fair value of short-term investment	**(7,155)**	(34,000)
Gain on sale of investments	**(86,625)**	-
Gain on settlement of debt	**-**	(90,000)
	(103,626)	(86,807)
Net Change in non-working capital items:		
Due to related parties	**17,628**	2,764
Receivables and other assets	**3,274**	1,324
Trade and other payables	**2,445**	(1,032)
Cash flows used in operating activities	**(80,279)**	(83,751)
Investing activities		
Purchase of short-term investment	**(75,845)**	-
Proceeds on the sale of short- term investment	**198,625**	-
Cash flows provided by investing activities	**122,780**	-
Increase (decrease) in cash and cash equivalents	**42,501**	(83,751)
Cash and cash equivalents at beginning of year (Note 7)	**9,715**	93,466
Cash and cash equivalents at end of year (Note 7)	**52,216**	9,715

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company") was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company's registered and head office is located at 370 Steeles Avenue West, Suite 203, Thornhill, Ontario, L4J 6X1.

As at December 31, 2016, the Company had a working capital deficiency of $305,915 (2015 - $296,069), had not yet achieved profitable operations, has accumulated losses of $873,871 (2015 - $864,025) and expects to incur future losses in the development of its business, all of which represent material uncertainties which cast substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, social licensing requirements and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiating contracts and political uncertainty.

Management plans to secure the necessary financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

These financial statements were authorized for issuance by the Board of Directors of the Company on MAY 1, 2017.

2.2 Basis of presentation and functional and presentation currency

These financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

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

2. BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised standards and interpretations

New standards and interpretations adopted

During 2016, the Company adopted an amendment to IAS 1. This amendment did not have any material impact on the Company's financial statements.

Standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRSIC") that are mandatory and would be applicable to Schyan for annual periods on or after January 1, 2017. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 9 Financial Instruments. - IFRS 9 covers the classification and measurement, impairment and hedge accounting of financial assets and financial liabilities and the effective date is for annual periods on or after January 1, 2018, with earlier application permitted. Amendments to IFRS 9 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Mineral properties

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into Property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Quebec refundable tax credit

The Company is entitled to a refundable tax credit on qualified expenditures incurred. The refundable tax credit for exploration expenditures may reach 35% of qualified expenditures incurred prior to June 5, 2014 and 28% for the qualified expenditures incurred after June 5, 2014.

The Company estimates the benefits to be recognized from refundable tax credits relating to qualified expenditures incurred. These receivables are recognized to the extent that it is probable that the Company has met all eligibility requirements for the expenditures in the period they are incurred and the refundable tax credit has been received. The Company presents these credits as refundable provincial exploration tax credits in the statements of income (loss).

3.2 Decommissioning, restoration and similar liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for a decommissioning provision is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding decommissioning provision is expensed to the statement of loss and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the decommissioning provision, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Share based payments

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

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

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the estimated fair value of the equity instruments at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based payment reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

3.4 Taxation

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

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

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

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

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Taxation (continued)

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

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

3.5 Loss per share

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

3.6 Financial assets

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

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company’s cash equivalents and short-term investments are classified as FVTPL.

Financial assets classified as loans-and-receivables are measured at amortized cost. The Company’s cash and trade and receivables are classified as loans-and-receivables.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Financial liabilities

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

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

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. At December 31, 2016 and 2015, the Company has not classified any financial liabilities as FVTPL.

3.8 Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

3.9 Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Cash and cash equivalents

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

3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

3.12 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.13 Significant accounting judgments and estimates

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

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

(i) the inputs used in accounting for valuation of warrants and options which are included in the statement of financial position and the statements of loss;
(ii) the nil provision for asset retirement obligations which is included in the statement of financial position; and
(iii) the nil provision for income taxes which is included in the statements of loss and composition of deferred income tax assets and liabilities included in the statements of financial position.

4. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of share capital, reserve accounts and deficit, which as at December 31, 2016 totaled ($305,915), (2015 totaled ($296,096)). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

4. CAPITAL MANAGEMENT (continued)

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

There were no changes in the Company's approach to capital management during the periods ended December 31, 2016 and 2015. The Company is not subject to externally imposed capital restrictions.

5. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash equivalents and short-term investments as FVTPL, which are measured at fair value. Cash and receivables and other assets are classified for accounting purposes as loans and receivables, which are measured at amortized cost. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at December 31, 2016 and 2015, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

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

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

The fair value of short-term investments are based on quoted market prices in active markets and are classified as level 1 financial instruments under the fair value hierarchy. Cash equivalents are classified as level 2 financial instruments.

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

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.

b. **Receivables and other assets** – The Company is not exposed to significant credit risk as this amount is due from the Canadian Federal government.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at December 31, 2016, the Company had a working capital deficiency of $305,915 (2015 - $296,069). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

b. Price risk

The Company holds the common shares of publicly traded companies. The Company has classified these investments as FVTPL and such common shares are subject to stock market volatility. The value of these financial instruments fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

6. SENSITIVITY ANALYSIS

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

The Company's short-term investments are subject to fair value fluctuations. As at December 31, 2016, if the quoted market value of short-term investments had decreased/increased by 10% net loss would have been approximately $8,300 (2015 - $11,200) higher/lower. Similarly, as at December 31, 2016, reported equity would have been approximately $8,300 (2015 - $11,200) lower/higher as a result of a 10% decrease/increase in the fair value of short-term investments.

7. CASH AND CASH EQUIVALENTS

The balance at December 31, 2016, consists of $52,216 (2015 - $9,715) on deposit with a major Canadian bank.

Cash and cash equivalents consist of the following:

As at December 31,		**2016**		2015
Cash	**$**	**52,216**	$	9,715
Cash equivalents		**-**		-
Total Cash and Cash Equivalents	**$**	**52,216**	$	9,715

8. SHORT-TERM INVESTMENTS

Short-term investments were comprised of 50,000 common shares of Balmoral Resources Ltd; 50,000 common shares of Barkerville Gold Mines Ltd.; and 50,000 common shares of Eastmain Resources Inc. (2015 – 100,000 common shares of Lake Shore Gold Inc.), all publicly listed companies.

As at December 31, 2016, the short-term investments had a quoted market value approximating $83,000 (2015 - $112,000). The impact to the financial statements of this revaluation to quoted market value and the sale of the Lake Shore Gold Inc. shares, resulted in a increase of $7,155 (2015 – $34,000) to the value of the investments with a corresponding gain on change in fair value of short-term investment of $7,155 (December 31, 2015 –$34,000) and a gain on sale of investment of $86,625.

During the period ending December 31, 2016, the Company sold 100,000 shares of Lake Shore Gold Inc. for net proceeds of $198,625.

(Expressed in Canadian Dollars)

9. RECEIVABLES AND OTHER ASSETS

The Company's receivables and other assets arise from Harmonized Sales Tax ("HST") receivable. These are broken down as follows:

As at December 31,	2016	2015
HST receivable	$ 4,170	$ 7,444
Total Receivables and other assets	**$ 4,170**	$ 7,444

At December 31, 2016, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at December 31, 2016.

10. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities.

The following is an aged analysis of the trade and other payables:

As at December 31,	2016	2015
Less than 1 month	$ 2,564	$ 2,600
Over 3 months	136,331	133,850
Total Trade and Other Payables	**$ 138,895**	$ 136,450

11. DUE TO RELATED PARTIES

	December 31, 2016	December 31, 2015
Balance, beginning of year	$ 288,778	$ 286,014
Transactions in the year:		
Repayment of advances	(4,000)	(23,500)
Related party reimbursements payable	21,628	26,264
Balance, end of year	**$ 306,406**	$ 288,778

The balances due to related parties are owing to directors and officers of the Company and are unsecured, non-interest bearing and due on demand.

As at December 31, 2016, the trade and other payables balance includes related party amounts of $8,120 (December 31, 2015 - $NIL). The related parties are directors of the Company. The amounts are for services rendered during previous periods and arose as a result of transactions entered into with the related parties in the ordinary course of business.

12. KEY MANAGEMENT COMPENSATION

The financial statements include balances and transactions with directors and/or officers of the Company.

These expenditures are summarized as follows:

	Year Ended	
	December 31, 2016	December 31, 2015
Legal fees paid to a director's firm	**$ 2,434**	$ -
Management and consulting fees	**$ -**	$ -

(Expressed in Canadian Dollars)

12. KEY MANAGEMENT COMPENSATION (continued)

In accordance with IAS 24, Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the year ended December 31, 2016, $2,434 (2015 - $NIL) was expensed as professional fees to a law firm in which one of the Directors of the Company is a partner.

During the year ended December 31, 2016, $NIL (2015 - $90,000) was forgiven by an officer of the Company and recorded as gain on settlement of debt on the statement of income (loss).

13. CAPITAL STOCK

Capital Stock
The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	# of shares		Amount
Balance at December 31, 2014, 2015 and 2016	**3,961,372**	**$**	**531,694**

Stock Options
The Company has a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. The plan allows for the issuance of up to 367,000 stock options. On May 3, 2015, a total of 300,000 options expired unexercised. As at December 31, 2016; the Company had 367,000, (2015 – 367,000) options available for issuance. A continuity of the unexercised options to purchase common shares is as follows:

	December 31, 2016		December 31, 2015	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of year	**$ -**	**-**	$ 0.10	300,000
Transactions during the year				
Expired	**-**	**-**	0.10	(300,000)
Outstanding at end of year	**$ -**	**-**	$ -	-

14. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the years ended December 31, 2016 and 2015 is set out below:

	December 31, 2016	December 31, 2015
Balance at beginning of year	**$ 36,262**	$ 36,262
Transactions during the year	**-**	-
Balance at end year	**$ 36,262**	$ 36,262

(Expressed in Canadian Dollars)

15. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses of the Company are broken down as follows:

	Year ended December 31, 2016	2015	Cumulative to date*
Casino Property	**$ 55,713**	$ -	**$ 326,013**
Star Lake and Crest Lake Properties	**$ -**	$ 33,813	**$ 45,123**
Exploration and evaluation costs	**$ 55,713**	$ 33,813	**$ 371,136**

* Only properties currently under exploration are included in this figure.

Casino Property
Schyan has a total of 39 mining claims at December 31, 2016 located in the Township of Cadillac, county of Abitibi, in the Province of Quebec; of which 22 claims are included in Casino Property Purchase Agreement and 17 are staked claims.

During the year ended December 31 2016, the Company over time has allowed certain claims to lapse as they were no longer in line with the Company's strategic objectives and has re-staked claims that Management has deemed to add value to the Company's land holdings.

Casino Property Purchase
Pursuant to a purchase agreement dated August 29, 2008, the Company acquired 22 mining claims located in the Township of Cadillac, county of Abitibi, in the Province of Quebec. The purchase price of $100,000 was settled by the issuance of 1,000,000 common shares of the Company at a price of $0.10 per share. The property was acquired from a director and officer of the Company.

Star Lake and Crest Lake Properties
In July, 2014 the Company signed letters of intent to acquire certain claim units in the Keefer Township located in Ontario. Under the terms of the Crest Lake agreement, the Company agrees to pay a cumulative amount of $200,000 and issue 500,000 common shares of the Company over a four year period. In addition to these payments, the Company agreed to complete a 1,000 meters of diamond drilling on the property in the first year. Under the terms of the Star Lake agreement the Company paid $7,500 in cash upon the signing of the Letter of Intent and will issue 150,000 shares once the agreement has been finalized.

In March 2015 the Letter of Intent was amended to delay any cash payments to such a time that the Company has completed a financing and is listed on the CSE Stock Exchange. As of May 27, 2016 the Company's Management decided not to proceed with either the cash payment or issuance of shares to earn an interest in the Property.

16. INCOME TAXES

(a) Provision for Income Taxes

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

For the year ended December 31,	**2016**	2015
	$	$
(Loss) income before income taxes	**(9,846)**	37,193
Combined statutory rate	**26.50%**	26.50%
Expected income tax benefit	**(2,600)**	9,900
Non-deductible differences	**3,500**	(5,400)
Tax benefits not realized	**(900)**	(4,500)
Income tax expense (recovery)	-	-

(Expressed in Canadian Dollars)

16. INCOME TAXES (continued)

(b) Deferred Income Tax Balances

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

As at December 31,		2016		2015
Exploration and evaluation assets	**$**	**687,000**	$	752,000
Non-capital loss carry forwards		**-**		9,000
	$	**687,000**	$	761,000

(c) Tax Loss Carry-forwards

The Company has accumulated non-capital losses of $NIL (2015-$9,000), which may be deducted in the calculation of taxable income in future years. The losses expire in 2033. The Company's accumulated exploration and evaluation tax balances generally do not expire.

17. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

18. SUBSEQUENT EVENT

At May 1, 2017, management has evaluated that there were no additional subsequent events occurring after December 31, 2016 that required disclosure in these financial statements.

EXPLORATION SCHYAN EXPLORATION INC.

Financial Statements

For the years ended
December 31, 2017 and 2016

EXPLORATION SCHYAN EXPLORATION INC.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Statement of Financial Position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the period presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition and results of operations of the Company, as of the date of and for the period presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Mitchell E Lavery"	"George W. Rayfield"
President and Chief Executive Officer	Treasurer

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Schyan Exploration Inc.

We have audited the accompanying financial statements of Schyan Exploration Inc., which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of loss and comprehensive loss, statements of changes in equity (deficiency) and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Schyan Exploration Inc. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Schyan Exploration Inc. had continuing losses during the year ended December 31, 2017 and a working capital deficiency as at December 31, 2017. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties which cast significant doubt about the ability of Schyan Exploration Inc. to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 27, 2018

EXPLORATION **SCHYAN** EXPLORATION INC.

Statements of Financial Position
(Expressed in Canadian Dollars)

As at December 31,	**2017**	2016
	$	$
Assets		
Current Assets		
Cash and cash equivalents *(Note 7)*	**26,303**	52,216
Short-term investments *(Note 8)*	**82,250**	83,000
Receivables and other assets *(Note 9)*	**3,829**	4,170
Total assets	**112,382**	139,386
Liabilities		
Current Liabilities		
Trade and other payables *(Note 10, 12)*	**144,392**	138,895
Due to related parties *(Note 11)*	**319,618**	306,406
Total liabilities	**464,010**	445,301
Shareholders' Deficiency		
Capital Stock *(Note 13)*	**531,694**	531,694
Share-based Payment Reserves *(Note 14)*	**36,262**	36,262
Deficit	**(919,584)**	(873,871)
Total shareholders' deficiency	**(351,628)**	(305,915)
Total liabilities and shareholders' deficiency	**112,382**	139,386

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 17)

APPROVED ON BEHALF OF THE BOARD ON APRIL 27, 2018:

Signed "Mitch Lavery"
Director

Signed "George W. Rayfield"
Director

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

EXPLORATION SCHYAN EXPLORATION INC.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the Years Ended December 31,	**2017**	2016
	$	**$**
Administrative Expenses		
General and administrative	**14,985**	16,377
Shareholder information	**8,210**	7,715
Investor relations and travel	**7,775**	9,085
Professional fees *(Note 12)*	**14,034**	14,736
Exploration and evaluation expenditures *(Note 15)*	**(41)**	55,713
Loss before the undernoted	**(44,963)**	(103,626)
Gain on sale of investment	**-**	86,625
Change in fair value of short-term investment	**(750)**	7,155
Net loss and comprehensive loss for the year	**(45,713)**	(9,846)
Loss per share - basic and diluted	**(0.01)**	(0.002)
Weighted average number of shares outstanding – basic and diluted	**3,961,372**	3,961,372

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

EXPLORATION SCHYAN EXPLORATION INC.

Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

	Capital Stock (Note 13)		**Reserves**		
	Number of shares	**Amount**	**Share based payments**	**(Deficit)**	**Total**
Balance at December 31, 2015	3,961,372	$ 531,694	$ 36,262	$ (864,025)	$ (296,069)
Net loss for the year	-	-	-	(9,846)	(9,846)
Balance at December 31, 2016	3,961,372	$ 531,694	$ 36,262	$ (873,871)	$ (305,915)
Net loss for the year	-	-	-	(45,713)	(45,713)
Balance at December 31, 2017	**3,961,372**	**$ 531,694**	**$ 36,262**	**$ (919,584)**	**$ (351,628)**

EXPLORATION **SCHYAN** EXPLORATION INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

For the Years Ended December 31,	**2017**	2016
	$	$
Operating activities		
Net loss for the year	**(45,713)**	(9,846)
Adjustment to reconcile net loss to net cash used by operating activities:		
Change in fair value of short-term investment	**750**	(7,155)
Gain on sale of investments	**-**	(86,625)
	(44,963)	(103,626)
Net Change in non-working capital items:		
Due to related parties	**13,212**	17,628
Receivables and other assets	**341**	3,274
Trade and other payables	**5,497**	2,445
Cash flows used in operating activities	**(25,913)**	(80,279)
Investing activities		
Purchase of short-term investment	**-**	(75,845)
Proceeds on the sale of short- term investment	**-**	198,625
Cash flows provided by investing activities	**-**	122,780
(Decrease) increase in cash and cash equivalents	**(25,913)**	42,501
Cash and cash equivalents at beginning of year (Note 7)	**52,216**	9,715
Cash and cash equivalents at end of year (Note 7)	**26,303**	52,216

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company" or “Schyan”) was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company’s registered and head office is located at 370 Steeles Avenue West, Suite 203, Thornhill, Ontario, L4J 6X1.

As at December 31, 2017, the Company had a working capital deficiency of $351,628 (2016 - $305,915), had not yet achieved profitable operations, has accumulated losses of $919,584 (2016 - $873,871) and expects to incur future losses in the development of its business, all of which represent material uncertainties which cast substantial doubt about the Company’s ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, social licensing requirements and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiating contracts and political uncertainty.

Management plans to secure the necessary financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

These financial statements were authorized for issuance by the Board of Directors of the Company on April 27, 2018.

2.2 Basis of presentation and functional and presentation currency

These financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

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

2. BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised standards and interpretations

New standards and interpretations adopted

During the year ended December 31, 2017, the Company did not adopt any new standards or interpretations.

Standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRSIC") that are mandatory and would be applicable to Schyan for annual periods on or after January 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 9 Financial Instruments. - IFRS 9 covers the classification and measurement, impairment and hedge accounting of financial assets and financial liabilities and the effective date is for annual periods on or after January 1, 2018. Amendments to IFRS 9 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Mineral properties

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Quebec refundable tax credit

The Company is entitled to a refundable tax credit on qualified expenditures incurred. The refundable tax credit for exploration expenditures may reach 35% of qualified expenditures incurred prior to June 5, 2014 and 28% for the qualified expenditures incurred after June 5, 2014.

The Company estimates the benefits to be recognized from refundable tax credits relating to qualified expenditures incurred. These receivables are recognized to the extent that it is probable that the Company has met all eligibility requirements for the expenditures in the period they are incurred and the refundable tax credit has been received. The Company presents these credits as refundable provincial exploration tax credits in the statements of loss.

3.2 Decommissioning, restoration and similar liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for a decommissioning provision is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding decommissioning provision is expensed to the statement of loss and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the decommissioning provision, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Share based payments

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

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

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the estimated fair value of the equity instruments at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based payment reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

3.4 Taxation

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

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

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

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

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Taxation (continued)

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

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

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

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

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company’s cash equivalents and short-term investments are classified as FVTPL.

Financial assets classified as loans-and-receivables are measured at amortized cost. The Company’s cash and receivables are classified as loans-and-receivables.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Financial liabilities

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

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

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. At December 31, 2017 and 2016, the Company has not classified any financial liabilities as FVTPL.

3.8 Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

3.9 Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Cash and cash equivalents

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

3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

3.12 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.13 Significant accounting judgments and estimates

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

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

(i) the inputs used in accounting for valuation of warrants and options which are included in the statement of financial position and the statements of loss;
(ii) the nil provision for asset retirement obligations which is included in the statement of financial position; and
(iii) the nil provision for income taxes which is included in the statements of loss and composition of deferred income tax assets and liabilities included in the statements of financial position.

4. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of capital stock, reserve accounts and deficit, which as at December 31, 2017 totaled ($351,628), (2016 ($305,915)). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

4. CAPITAL MANAGEMENT (continued)

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

There were no changes in the Company's approach to capital management during the years ended December 31, 2017 and 2016. The Company is not subject to externally imposed capital restrictions.

5. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash equivalents and short-term investments as FVTPL, which are measured at fair value. Cash and receivables and other assets are classified for accounting purposes as loans and receivables, which are measured at amortized cost. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at December 31, 2017 and 2016, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

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

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

The fair value of short-term investments are based on quoted market prices in active markets and are classified as level 1 financial instruments under the fair value hierarchy. Cash equivalents are classified as level 2 financial instruments.

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

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.

b. **Receivables and other assets** – The Company is not exposed to significant credit risk as this amount is due from the Canadian Federal government.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at December 31, 2017, the Company had a working capital deficiency of $351,628 (2016 - $305,915). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

b. Price risk

The Company holds the common shares of publicly traded companies. The Company has classified these investments as FVTPL and such common shares are subject to stock market volatility. The value of these financial instruments fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

6. SENSITIVITY ANALYSIS

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

The Company's short-term investments are subject to fair value fluctuations. As at December 31, 2017, if the quoted market value of short-term investments had decreased/increased by 10% net loss would have been approximately $8,225 (2016 - $8,300) higher/lower. Similarly, as at December 31, 2017, reported equity would have been approximately $8,225 (2016 - $8,300) lower/higher as a result of a 10% decrease/increase in the fair value of short-term investments.

7. CASH AND CASH EQUIVALENTS

The balance at December 31, 2017, consists of $26,303 (December 31, 2016 - $52,216) on deposit with a major Canadian bank.

Cash and cash equivalents consist of the following:

	As at	
	December 31, 2017	December 31, 2016
Cash	**$ 26,303**	$ 52,216
Cash equivalents	**-**	-
Total Cash and Cash Equivalents	**$ 26,303**	$ 52,216

8. SHORT-TERM INVESTMENTS

Short-term investments were comprised of 50,000 common shares of Balmoral Resources Ltd; 50,000 common shares of Barkerville Gold Mines Ltd.; and 50,000 common shares of Eastmain Resources Inc. (2016 – 50,000 common shares of Balmoral Resources Ltd; 50,000 common shares of Barkerville Gold Mines Ltd.; and 50,000 common shares of Eastmain Resources Inc.), all publicly listed companies.

During the year ended December 31, 2016, the Company sold 100,000 shares of Lake Shore Gold Inc. for net proceeds of $198,625.

As at December 31, 2017, the short-term investments had a quoted market value approximating $82,250 (2016 - $83,000). The impact to the financial statements of this revaluation to quoted market value and the sale of the Lake Shore Gold Inc. shares, resulted in a decrease of $750 (2016 – $7,155) to the value of the investments with a corresponding loss on change in fair value of short-term investment of $750 (2016 –$7,155 a gain on change in fair value of short-term investment and a gain on sale of investment of $86,625.)

(Expressed in Canadian Dollars)

9. RECEIVABLES AND OTHER ASSETS

The Company's receivables and other assets arise from Harmonized Sales Tax ("HST") receivable. These are broken down as follows:

	As at	
	December 31, 2017	December 31, 2016
HST receivable	**$ 3,829**	$ 4,170
Total Receivables and other assets	**$ 3,829**	$ 4,170

At December 31, 2017, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at December 31, 2017.

10. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities.

The following is an aged analysis of the trade and other payables:

	As at	
	December 31, 2017	December 31, 2016
Less than 1 month	**$ 4,031**	$ 2,564
1 month to 3 months	**3,127**	-
Over 3 months	**137,234**	136,331
Total Trade and Other Payables	**$ 144,392**	$ 138,895

11. DUE TO RELATED PARTIES

	December 31, 2017	December 31, 2016
Balance, beginning of year	**$ 306,406**	$ 288,778
Transactions in the year:		
Repayment of advances	**-**	(4,000)
Related party reimbursements payable	**13,212**	21,628
Balance, end of year	**$ 319,618**	$ 306,406

The balances due to related parties are owing to directors and officers of the Company and are unsecured, non-interest bearing and due on demand.

As at December 31, 2017, the trade and other payables balance includes related party amounts of $5,370 (2016 - $8,120). The related parties are directors of the Company. The amounts are for services rendered during previous periods and arose as a result of transactions entered into with the related parties in the ordinary course of business.

12. KEY MANAGEMENT COMPENSATION

The financial statements include balances and transactions with directors and/or officers of the Company.

These expenditures are summarized as follows:

	Year Ended	
	December 31, 2017	December 31, 2016
Legal fees paid to a director's firm	**$ -**	$ 2,434
Management and consulting fees	**$ -**	$ -

(Expressed in Canadian Dollars)

12. KEY MANAGEMENT COMPENSATION (continued)

In accordance with IAS 24, Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the period ended December 31, 2017, $NIL (2016 - $2,434) was expensed as professional fees to a law firm in which one of the Directors of the Company is a partner.

13. CAPITAL STOCK

Capital Stock
The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	# of shares	Amount
Balance at December 31, 2016 and December 31, 2017	**3,961,372**	**$ 531,694**

Stock Options
The Company has a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. The plan allows for the issuance of up to 367,000 stock options. As at December 31, 2017; the Company had 367,000 (2016 – 367,000) options available for issuance. A continuity of the unexercised options to purchase common shares is as follows:

	December 31, 2017		December 31, 2016	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of year	**$ -**	**-**	$ -	-
Transactions during the year				
Expired	**-**	**-**	-	-
Outstanding at end of year	**$ -**	**-**	$ -	-

14. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the years ended December 31, 2017 and 2016 is set out below:

	December 31, 2017	December 31, 2016
Balance at beginning of year	**$ 36,262**	$ 36,262
Transactions during the year	**-**	-
Balance at year end	**$ 36,262**	$ 36,262

(Expressed in Canadian Dollars)

15. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses of the Company are broken down as follows:

	Year ended December 31,		Cumulative to date*
	2017	2016	
Casino Property	**$ (41)**	$ 55,713	**$ 325,972**
Exploration and evaluation costs	**$ (41)**	$ 55,713	**$ 325,972**

* Only properties currently under exploration are included in this figure.

Casino Property
Schyan has a total of 39 mining claims at December 31, 2017 located in the Township of Cadillac, county of Abitibi, in the Province of Quebec; of which 22 claims are included in the Casino Property Purchase Agreement and 17 are staked claims.

The Company, over time has allowed certain claims to lapse as they were no longer in line with the Company's strategic objectives and has re-staked claims that Management has deemed to add value to the Company's land holdings.

Casino Property Purchase
Pursuant to a purchase agreement dated August 29, 2008, the Company acquired 22 mining claims located in the Township of Cadillac, county of Abitibi, in the Province of Quebec. The purchase price of $100,000 was settled by the issuance of 1,000,000 common shares of the Company at a price of $0.10 per share. The property was acquired from a director and officer of the Company.

Star Lake and Crest Lake Properties
In July 2014 the Company signed letters of intent to acquire certain claim units in the Keefer Township located in Ontario. Under the terms of the Crest Lake agreement, the Company agreed to pay a cumulative amount of $200,000 and issue 500,000 common shares of the Company over a four year period. In addition to these payments, the Company agreed to complete a 1,000 meters of diamond drilling on the property in the first year. Under the terms of the Star Lake agreement the Company paid $7,500 in cash upon the signing of the Letter of Intent and would issue 150,000 shares once the agreement has been finalized.

In March 2015 the Letter of Intent was amended to delay any cash payments to such a time that the Company has completed a financing and is listed on the CSE Stock Exchange. As of May 27, 2016 the Company's management decided not to proceed with either the cash payment or issuance of shares to earn an interest in the Property.

16. INCOME TAXES

(a) Provision for Income Taxes

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

For the year ended December 31,	**2017**	2016
	$	$
Loss before income taxes	**(45,713)**	(9,846)
Combined statutory rate	**26.50%**	26.50%
Expected income tax benefit	**(12,000)**	(2,600)
Non-deductible differences	**-**	3,500
Tax benefits not realized	**12,000**	(900)
Income tax expense (recovery)	-	-

(Expressed in Canadian Dollars)

16. INCOME TAXES (continued)

(b) Deferred Income Tax Balances

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

As at December 31,		2017		2016
Exploration property expenditures	**$**	**805,600**	$	687,000
Non-capital loss carry forwards		**4,600**		-
	$	**809,600**	$	687,000

(c) Tax Loss Carry-forwards

The Company has accumulated non-capital losses of $4,600 (2016-$NIL), which may be deducted in the calculation of taxable income in future years. The losses expire in 2033. The Company's accumulated exploration and evaluation tax balances generally do not expire.

17. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

18. SUBSEQUENT EVENT

At April 27, 2018, management has evaluated that there were no subsequent events occurring after December 31, 2017 that required disclosure in these financial statements.

EXPLORATION **SCHYAN** EXPLORATION INC.

Unaudited Interim Condensed Financial Statements

For the three and six months ended
June 30, 2018 and 2017

EXPLORATION **SCHYAN** EXPLORATION INC.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed financial statements of Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Statement of Financial Position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the period presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition and results of operations of the Company, as of the date of and for the period presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Lisa McCormack"
Chief Executive Officer

"Arvin Ramos"
Chief Financial Officer

EXPLORATION **SCHYAN** EXPLORATION INC.

Interim Condensed Statements of Financial Position

(Unaudited)
(Expressed in Canadian Dollars)

As at	**June 30, 2018**	December 31, 2017
	$	$
Assets		
Current Assets		
Cash and cash equivalents *(Note 6)*	**13,225**	26,303
Short-term investments *(Note 7)*	**42,500**	82,250
Receivables and other assets *(Note 8)*	**1,642**	3,829
Total assets	**57,367**	112,382
Liabilities		
Current Liabilities		
Trade and other payables *(Note 9)*	**184,986**	144,392
Due to related parties *(Note 10)*	**329,033**	319,618
Total liabilities	**514,019**	464,010
Shareholders' Deficiency		
Capital Stock *(Note 12)*	**531,694**	531,694
Share-based Payment Reserves *(Note 13)*	**36,262**	36,262
Deficit	**(1,024,608)**	(919,584)
Total shareholders' deficiency	**(456,652)**	(351,628)
Total liabilities and shareholders' deficiency	**57,367**	112,382

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 15)
Subsequent Events (Note 16)

APPROVED ON BEHALF OF THE BOARD ON AUGUST 27, 2018:

Signed "Lisa McCormack"
Director

Signed "Kelly Malcolm"
Director

EXPLORATION SCHYAN EXPLORATION INC.

Interim Condensed Statements of Loss and Comprehensive Loss

((Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended June 30,		***Six Months Ended June 30,***	
	2018	2017	**2018**	2017
	$	$	**$**	$
Administrative Expenses				
General and administrative	**1,556**	3,454	**5,852**	6,610
Shareholder information	**2,818**	3,086	**4,815**	4,582
Investor relations and travel	**-**	3,298	**5,964**	4,911
Professional fees *(Note 11)*	**46,643**	5,225	**48,643**	8,294
Exploration and evaluation expenditures *(Note 14)*	**-**	-	**-**	25
Loss before the undernoted	**(51,017)**	(15,063)	**(65,274)**	(24,422)
Change in fair value of short-term investments	**(14,250)**	250	**(39,750)**	11,000
Net loss and comprehensive loss for the period	**(65,267)**	(14,813)	**(105,024)**	(13,422)
Loss per share - basic and diluted	**(0.02)**	(0.00)	**(0.03)**	(0.00)
Weighted average number of shares outstanding – basic and diluted	**3,961,372**	3,961,372	**3,961,372**	3,961,372

EXPLORATION SCHYAN EXPLORATION INC.

Interim Condensed Statements of Changes in Equity (Deficiency)

(Unaudited)

(Expressed in Canadian Dollars)

	Capital Stock			Reserves				
	Number of shares		Amount		Share based payments		(Deficit)		Total
Balance at December 31, 2016	3,961,372	$	531,694	$	36,262	$	(873,871)	$	(305,915)
Net loss for the period	-		-		-		(13,422)		(13,422)
Balance at June 30,2017	3,961,372	$	531,694	$	36,262	$	(887,293)	$	(319,337)
Net loss for the period	-		-		-		(32,291)		(32,291)
Balance at December 31, 2017	3,961,372	$	531,694	$	36,262	$	(919,584)	$	(351,628)
Net loss for the period	-		-		-		(105,024)		(105,024)
Balance at June 30, 2018	**3,961,372**	**$**	**531,694**	**$**	**36,262**	**$**	**(1,024,608)**	**$**	**(456,652)**

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

EXPLORATION **SCHYAN** EXPLORATION INC.

Interim Condensed Statements of Cash Flows

(Unaudited)

(Expressed in Canadian Dollars)

For the Six Months Ended June 30,	**2018**	2017
	$	$
Operating activities		
Net loss for the period	**(105,024)**	(13,422)
Adjustment to reconcile net loss to net cash used by operating activities:		
Change in fair value of short-term investments	**39,750**	(11,000)
Net Change in non-working capital items:		
Receivables and other assets	**2,187**	2,876
Trade and other payables	**40,594**	6,799
Due to related parties	**9,415**	7,705
Cash flows used in operating activities	**(13,078)**	(7,042)
Decrease in cash and cash equivalents	**(13,078)**	(7,042)
Cash and cash equivalents at beginning of period (Note 6)	**26,303**	52,216
Cash and cash equivalents at end of period (Note 6)	**13,225**	45,174

1. NATURE OF OPERATIONS AND GOING CONCERN

Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company" or "Schyan") was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company's registered and head office is located at 370 Steeles Avenue West, Suite 203, Thornhill, Ontario, L4J 6X1.

As at June 30, 2018, the Company had a working capital deficiency of $456,652 (December 31, 2017 - $351,628), had not yet achieved profitable operations, has accumulated losses of $1,024,608 (December 31, 2017 - $919,584) and expects to incur future losses in the development of its business, all of which represent material uncertainties which cast substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, social licensing requirements and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiating contracts and political uncertainty.

Management plans to secure the necessary financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim condensed financial statements including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC").

These financial statements were authorized for issuance by the Board of Directors of the Company on August 27, 2018.

2.2 Basis of presentation and functional and presentation currency

These unaudited interim condensed financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2017 annual audited financial statements and should be read in conjunction with these statements.

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

2. BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised standards and interpretations

New standards and interpretations adopted

- Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRSIC") that are mandatory and applicable to Schyan for its annual period beginning January 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has been adopted and the Company has assessed that the new standard has no significant impact to the financial statements.

- IFRS 9 Financial Instruments. - IFRS 9 covers the classification and measurement, impairment and hedge accounting of financial assets and financial liabilities and the effective date is for annual periods on or after January 1, 2018. Amendments to IFRS 9 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

3. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of capital stock, reserve accounts and deficit, which as at June 30, 2018 totaled ($456,652), (December 31, 2017 - ($351,628)). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

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

There were no changes in the Company's approach to capital management during the periods ended June 30, 2018 and December 31, 2017. The Company is not subject to externally imposed capital restrictions.

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash equivalents and short-term investments as FVTPL, which are measured at fair value. Cash and receivables and other assets are classified for accounting purposes as loans and receivables, which are measured at amortized cost. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at June 30, 2018 and December 31, 2017, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

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

4. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

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

The fair value of short-term investments are based on quoted market prices in active markets and are classified as level 1 financial instruments under the fair value hierarchy. Cash equivalents are classified as level 2 financial instruments.

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

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.

b. **Receivables and other assets** – The Company is not exposed to significant credit risk as this amount is due from the Canadian Federal government.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2018, the Company had a working capital deficiency of $456,652 (December 31, 2017 - $351,628). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

b. Price risk

The Company holds the common shares of publicly traded companies. The Company has classified these investments as FVTPL and such common shares are subject to stock market volatility. The value of these financial instruments fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

(Expressed in Canadian Dollars)

5. SENSITIVITY ANALYSIS

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

The Company's short-term investments are subject to fair value fluctuations. As at June 30, 2018, if the quoted market value of short-term investments had decreased/increased by 10% net loss would have been approximately $4,250 (December 31, 2017 - $8,225) higher/lower. Similarly, as at June 30, 2018, reported equity would have been approximately $4,250 (December 31, 2017 - $8,225) lower/higher as a result of a 10% decrease/increase in the fair value of short-term investments.

6. CASH AND CASH EQUIVALENTS

The balance at June 30, 2018, consists of $13,225 (December 31, 2017 - $26,303) on deposit with a major Canadian bank.

Cash and cash equivalents consist of the following:

	As at	
	June 30, 2018	December 31, 2017
Cash	**$ 13,225**	$ 26,303
Cash equivalents	**-**	-
Total Cash and Cash Equivalents	**$ 13,225**	$ 26,303

7. SHORT-TERM INVESTMENTS

Short-term investments were comprised of 50,000 common shares of Balmoral Resources Ltd; 50,000 common shares of Barkerville Gold Mines Ltd.; and 50,000 common shares of Eastmain Resources Inc. (December 31, 2017 – 50,000 common shares of Balmoral Resources Ltd; 50,000 common shares of Barkerville Gold Mines Ltd.; and 50,000 common shares of Eastmain Resources Inc.), all publicly listed companies.

As at June 30, 2018, the short-term investments had a quoted market value approximating $42,500 (December 31, 2017 - $82,250). The impact to the financial statements of this revaluation to quoted market value resulted in a decrease of $39,750 (2017 – increase of $11,000) to the value of the investments with a corresponding loss on change in fair value of short-term investment of $39,750 (2017 – increase of $11,000).

8. RECEIVABLES AND OTHER ASSETS

The Company's receivables and other assets arise from Harmonized Sales Tax ("HST") receivable. These are broken down as follows:

	As at	
	June 30, 2018	December 31, 2017
HST receivable	**$ 1,642**	$ 3,829
Total receivables and other assets	**$ 1,642**	$ 3,829

At June 30, 2018, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at June 30, 2018.

(Expressed in Canadian Dollars)

9. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities.

The following is an aged analysis of the trade and other payables:

	As at	
	June 30, 2018	December 31, 2017
Less than 1 month	**$ 46,350**	$ 4,031
1 month to 3 months	**445**	3,127
Over 3 months	**138,191**	137,234
Total Trade and Other Payables	**$ 184,986**	$ 144,392

10. DUE TO RELATED PARTIES

	June 30, 2018	December 31, 2017
Balance, beginning of year/period	**$ 319,618**	$ 306,406
Transactions in the year/period:		
Related party reimbursements payable	**9,415**	13,212
Balance, end of year/period	**$ 329,033**	$ 319,618

The balances due to related parties are owing to directors and officers of the Company and are unsecured, non-interest bearing and due on demand.

As at June 30, 2018, the trade and other payables balance includes related party amounts of $nil (December 31, 2017 - $5,370). The related parties are directors of the Company. The amounts are for services rendered during previous periods and arose as a result of transactions entered into with the related parties in the ordinary course of business.

11. KEY MANAGEMENT COMPENSATION

The financial statements include balances and transactions with directors and/or officers of the Company.

These expenditures are summarized as follows:

	Six Months Ended	
	June 30, 2018	June 30, 2017
Legal fees paid to a director's firm	**$ -**	$ -
Management and consulting fees	**$ -**	$ -

In accordance with IAS 24, Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(Expressed in Canadian Dollars)

12. CAPITAL STOCK

Capital Stock

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	# of shares		Amount
Balance at June 30, 2018 and December 31, 2017	**3,961,372**	**$**	**531,694**

Stock Options

The Company has a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. The plan allows for the issuance of up to 367,000 stock options. As at June 30, 2018; the Company had 367,000 (December 31, 2017 – 367,000) options available for issuance. There were no stock option activity during the six months ended June 30, 2018 or 2017.

13. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the six months ended June 30, 2018 and the year ended December 31, 2017 is set out below:

		June 30, 2018		December 31, 2017
Balance at beginning of year/period	**$**	**36,262**	$	36,262
Transactions during the year/period		**-**		-
Balance at end of year/period	**$**	**36,262**	$	36,262

14. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses of the Company are broken down as follows:

	Six Months ended June 30,				**Cumulative to date***	
	2018		2017			
Casino Property	**$**	**-**	$	25	**$**	**325,972**
Exploration and evaluation costs	**$**	**-**	$	25	**$**	**325,972**

* Only properties currently under exploration are included in this figure.

Casino Property

Schyan has a total of 39 mining claims at June 30, 2018 (December 31, 2017 – 39 mining claims) located in the Township of Cadillac, county of Abitibi, in the Province of Quebec; of which 22 claims are included in the Casino Property Purchase Agreement and 17 are staked claims.

The Company, over time has allowed certain claims to lapse as they were no longer in line with the Company's strategic objectives and has re-staked claims that Management has deemed to add value to the Company's land holdings.

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Casino Property *(continued)*

Casino Property Purchase

Pursuant to a purchase agreement dated August 29, 2008, the Company acquired 22 mining claims located in the Township of Cadillac, county of Abitibi, in the Province of Quebec. The purchase price of $100,000 was settled by the issuance of 1,000,000 common shares of the Company at a price of $0.10 per share. The property was acquired from a director and officer of the Company.

15. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

16. SUBSEQUENT EVENTS

On July 10, 2018, the Company announced that it settled an aggregate of $410,759 of indebtedness owed to certain arms-length creditors through the issuance of an aggregate of 10,268,987 common shares ("Common Shares") of the Company a price of $0.04 per Common Share (the "Debt Settlement"). All Common Shares issued in connection with the Debt Settlement are subject to a statutory old period of four month plus a day from the date of issuance in accordance with applicable securities legislation.

On July 18, 2018, the Company announced that it entered into a non-binding letter agreement ("Letter Agreement") with George Hackney, Inc. d.b.a. Trulieve ("Trulieve") whereby the Company and Trulieve have agreed to merge their respective businesses resulting in a reverse takeover of the Company by Truelieve and change the business of the Company from a mining issuer to a marijuana issuer (the "Transaction"). Concurrently with the closing on the Transaction, the resulting issuer will apply to have its shares listed on the Canadian Securities Exchange ("CSE"). The transaction is subject to the execution of a definitive agreement between Trulieve and the Company and the receipt of CSE, regulatory and shareholder approvals.

On August 16, 2018, the Company announced that it settled an aggregate of $78,345 of indebtedness owed to certain arms-length creditors through the issuance of an aggregate of 1,958,613 common shares ("Common Shares") of the Company a price of $0.04 per Common Share (the "Debt Settlement"). All Common Shares issued in connection with the Debt Settlement are subject to a statutory old period of four month plus a day from August 15, 2018 in accordance with applicable securities legislation.

SCHEDULE “B”

FINANCIAL STATEMENTS OF
TRULIEVE, INC.

TRULIEVE, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN US DOLLARS)

TRULIEVE, INC.

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Trulieve, Inc.
Management's Responsibility for Financial Reporting

To the Shareholders of Trulieve, Inc.:

The accompanying financial statements in this annual report were prepared by management of Trulieve, Inc. ("the Company"), and were reviewed and approved by the Board of Directors of Trulieve, Inc.

Management is responsible for the financial statements and believes that they fairly present the Company's financial condition and results of operation in conformity with International Financial Reporting Standards. Management has included in the Company's financial statements amounts based on estimates and judgments that it believes are reasonable, under the circumstances.

To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements. Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits. Management further assures the quality of the financial records through careful selection and training of personnel and through the adoption and communication of financial and other relevant policies.

These financial statements have been audited by the Company's auditor, Macias Gini & O'Connell LLP, and their report is presented herein.

"Kim Rivers"	"Ben Atkins"
Director	*Director*

September 11, 2018

Certified
Public
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Trulieve, Inc.
Quincy, Florida

We have audited the accompanying financial statements of Trulieve, Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2017 and 2016, and the statements of operations, changes in shareholders' equity (deficit) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Trulieve, Inc. at December 31, 2017 and 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Macias Gini & O'Connell LLP

San Francisco, California
September 11, 2018

TRULIEVE, INC.

STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016

		2017	2016
ASSETS			
Current Assets:			
Cash		$ 1,407,059	$ 136,313
Inventories	*Note 4*	2,254,313	1,262,860
Biological Assets	*Note 4*	9,738,300	-
Prepaid Expenses and Other Current Assets		182,467	22,350
Total Current Assets		13,582,139	1,421,523
Property and Equipment, Net	*Note 5*	19,287,725	4,528,624
Intangible Assets - Tradename		1,000,000	1,000,000
Deferred Tax Asset	*Note 9*	-	467,000
TOTAL ASSETS		$ 33,869,864	$ 7,417,147
LIABILITIES			
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities		$ 4,045,447	$ 1,801,600
Income Tax Payable		1,135,000	-
Deferred Revenue		14,773	-
Due to Related Party		-	234,000
Notes Payable Related Party - Current Portion	*Note 7*	2,359,183	-
Total Current Liabilities		7,554,403	2,035,600
Long-Term Liabilities:			
Notes Payable	*Note 6*	5,960,000	-
Notes Payable Related Party	*Note 7*	6,142,607	5,441,641
Deferred Tax Liability	*Note 9*	3,091,000	-
TOTAL LIABILITIES		22,748,010	7,477,241
SHAREHOLDERS' EQUITY			
Share Capital	*Note 8*	11,456,199	3,847,101
Accumulated Deficit		(334,345)	(3,907,195)
TOTAL SHAREHOLDERS' EQUITY		11,121,854	(60,094)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 33,869,864	$ 7,417,147

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

Nature of Operations (*Note 1*)
Commitments and Contingencies (*Note 11*)
Subsequent Events (*Note 14*)

Approved and authorized by the directors on September 11, 2018

"Kim Rivers"	"Ben Atkins"
Director	Director

TRULIEVE, INC.

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		2017	2016
Revenues, Net of Discounts		$ 19,778,344	$ 161,145
Cost of Goods Sold, Net		11,094,692	2,807,378
Gross Profit (Loss) before Biological Asset Adjustment		8,683,652	(2,646,233)
Net Effect of Change in Fair Value of Biological Assets	*Note 4*	9,738,300	-
Gross Profit (Loss)		18,421,952	(2,646,233)
Expenses:			
General and Administrative	*Note 13*	1,211,384	1,223,073
Sales and Marketing		7,096,162	235,262
Depreciation and Amortization		197,778	12,271
Total Expenses		8,505,324	1,470,606
Income (Loss) From Operations		9,916,628	(4,116,839)
Other Income (Expense):			
Interest Expense, net		(860,437)	(360,684)
Loss on Debt Settled with Equity	*Note 7*	(768,639)	-
Other Income (Expense), net		3,298	(1,462)
Total Other Expense		(1,625,778)	(362,146)
Income (Loss) Before Provision for Income Taxes		8,290,850	(4,478,985)
Provision For Income Taxes	*Note 9*	4,718,000	(820,000)
Net Income (Loss)		$ 3,572,850	$ (3,658,985)

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

TRULIEVE, INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Number of Shares	Share Capital	Accumulated Deficit	Total
Balance, January 1, 2016	-	$ 750,000	$ (248,210)	$ 501,790
Issuance of Common Stock	4,250.00	2,487,453	-	2,487,453
Issuance of Common Stock as Compensation for Services Rendered and Land Contributed	750.00	500,000	-	500,000
Equity Component of Convertible Debt, net of Deferred Taxes	-	584,978	-	584,978
Dividends Paid to Shareholders	-	(475,330)	-	(475,330)
Net Loss	-	-	(3,658,985)	(3,658,985)
Balance, December 31, 2016	5,000.00	3,847,101	(3,907,195)	(60,094)
Cash Contribution from Shareholders	-	1,726,129	-	1,726,129
Additional Contributions from the Issuance of Below Market Interest Debt	-	275,434	-	275,434
Conversion of Notes Payable	1,250.00	4,390,505	-	4,390,505
Settlement of Note Payable with Shares	328.90	1,217,030	-	1,217,030
Net Income	-	-	3,572,850	3,572,850
Balance, December 31, 2017	6,578.90	$ 11,456,199	$ (334,345)	$ 11,121,854

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

TRULIEVE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 3,572,850	$ (3,658,985)
Adjustments to Reconcile Net Income (Loss) to		
Net Cash Used In Operating Activities:		
Depreciation	558,011	113,198
Non-Cash Professional Services Expense	-	200,000
Non-Cash Loss on Debt Settled with Equity	768,639	-
Non-Cash Interest Expense	437,485	312,659
Non-Cash License Fee	(375,000)	-
Changes in Operating Assets and Liabilities:		
Inventories	(991,453)	(1,262,860)
Biological Assets	(9,738,300)	-
Prepaid Expenses and Other Current Assets	(160,117)	(22,350)
Deferred Tax Assets/Liabilities	3,558,000	(820,000)
Accounts Payable and Accrued Liabilities	1,239,607	994,828
Income Tax Payable	1,135,000	-
Deferred Revenue	14,773	-
Due to Related Party	(234,000)	234,000
NET CASH USED IN OPERATING ACTIVITIES	(214,505)	(3,909,510)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(5,507,900)	(3,460,430)
NET CASH USED IN INVESTING ACTIVITIES	(5,507,900)	(3,460,430)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Notes Payable	4,000,000	-
Proceeds from Issuance of Notes Payable - Related Party	1,307,022	5,066,960
Payments on Notes Payable	(40,000)	-
Proceeds from Issuance of Common Stock	-	2,487,453
Proceeds from Additional Cash Contributions	1,726,129	-
Dividends Paid to Stockholders	-	(475,330)
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,993,151	7,079,083
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,270,746	(290,857)
CASH, BEGINNING OF YEAR	136,313	427,170
CASH, END OF YEAR	$ 1,407,059	$ 136,313
CASH PAID DURING THE YEAR FOR		
Interest	$ 468,710	$ -

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

STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

OTHER NONCASH INVESTING AND FINANCING ACTIVITIES	2017	2016
Purchase of Property and Equipment Financed with Accounts Payable	$ 1,004,240	$ 806,773
Purchase of Property and Equipment Financed with Notes Payable	$ 2,000,000	
Purchase of Property and Equipment Financed with Notes Payable - Related Party	$ 6,804,972	
Conversion of Notes Payable into Shares	$ 4,390,505	$ -
Settlement of Note Payable - Related Party with Shares	$ 448,391	$ -
Debt Discount Related to Below Market Interest Debt	$ 275,434	$ -
Acquisition of Land through Issuance of Common Stock	$ -	$ 300,000
Acquisition of Intangible Asset Financed by Notes Payable - Related Party	$ -	$ 1,000,000
Equity Feature of Convertible Debt	$ -	$ 937,978
Deferred Tax Related to Equity Feature of Convertible Debt	$ -	$ 353,000

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

1. DESCRIPTION OF BUSINESS

Trulieve, Inc., formerly known as George Hackney Inc., ("Trulieve, Inc." or the "Company") is a privately held Corporation existing under the laws of the State of Florida. Trulieve, Inc. is a vertically integrated cannabis company and is licensed under the laws of the State of Florida to cultivate, produce, and sell medicinal-use cannabis products within such state.

The Company's registered office is located at 24671 US HWY 19 N, Clearwater, Florida 33763 USA

2. BASIS OF PRESENTATION

Statement of Compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

These financial statements were approved by the Board of Directors and authorized for issue by the Board of Directors on September 11, 2018

Basis of Measurement
These financial statements have been prepared on the going concern basis, under the historical cost basis except for biological assets and certain financial instruments, which are measured at fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. The expenses within the statements of operations are presented by function.

Functional Currency
The Company's functional currency, as determined by management, is the United States ("U.S.") dollar. These financial statements are presented in U.S. dollars.

Classification of Expenses
The expenses within the statements of operations are presented by function. See Note 13.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash

Cash include cash deposits in financial institutions plus cash held at retail locations.

(b) Biological Assets

The Company measures biological assets consisting of medical cannabis plants at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of internally produced work in progress and finished goods inventories after harvest. Unrealized gains or losses arising from changes in fair value less cost to sell during the year are included in the results of operations of the related year. The Company expenses pre-harvest costs as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Inventory

Inventories of finished goods and packing materials are valued at the lower of cost and net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion for inventories in process and the estimated costs necessary to make the sale. Cost is determined using the average cost basis. Products for resale and supplies and consumables are valued at the lower of cost and net realizable value.

(d) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the following terms:

Land	Not Depreciated
Buildings and Structures	5 to 40 Years
Lighting Equipment	10 Years
Furniture and Equipment	5 - 10 Years
Computer Equipment and Software	3 Years
Security Equipment	3 Years
Leasehold Improvements	Shorter of Estimated Useful Life or Remaining Life of Lease
Manufacturing Equipment	5 - 7 Years
Vehicles	5 Years

An asset’s residual value, useful life and depreciation method are reviewed during each financial year and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

Assets in process are transferred when available for use and depreciation of the assets commences at that point.

Construction in progress is not depreciated until it is completed and available for use.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Indefinite-Lived Intangible Assets

Intangible assets with indefinite useful lives are comprised of the acquired professional reputation of an individual that has operated in the nursery business in the state of Florida.

(f) Impairment of Long-Lived Assets

Long-lived assets, including property, plant and equipment and intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. For the years ended December 31, 2017 and 2016, the Company did not record an impairment loss.

(g) Leased Assets

The Company leases certain items of property, plant and equipment. A lease of property, plant and equipment is classified as a capital lease if it transfers substantially all the risks and rewards incidental to ownership to the Company. A lease of property, plant and equipment is classified as an operating lease whenever the terms of the lease do not transfer substantially all of the risks and rewards of ownership to the lessee. Lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which the economic benefits are consumed.

(h) Revenue Recognition

Revenue is recognized at the fair value of consideration received or receivable. Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

For the years ended December 31, 2017 and 2016, amounts recorded as revenues are net of allowances, discounts, and rebates totaling $2,590,444 and $2,149, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cost of Goods Sold

The Company expenses production costs as incurred, net of amounts separately accounted as Biological Assets of Inventory.

(j) Research and Development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

(k) Income Taxes

The Company uses the liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

As the Company operations in the cannabis industry, it is subject to the limits of IRC Section 280E under which the Company is only allowed to deduct expenses directly related to the sales of products. This results in permanent differences between ordinary and necessary business expenses deemed unallowable under IRC Section 280E.

On December 22, 2017, The Tax Cuts and Jobs Act (the "Act") was enacted which changes existing tax law and includes numerous provisions that will affect the Company's income tax accounting, financial statement disclosure and tax compliance. Changes within the Act that will most significantly impact the Company are those that will reduce the effective federal corporate income tax rates, business-related exclusions deductions and credits. ASC 740, "Income Taxes", requires the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation is enacted. Consequently, as of the date of enactment, the Company has premeasured all deferred income tax assets and liabilities at the newly enacted effective federal corporate income tax rates. The effective rate used to record the current year's tax liability has not been adjusted, as the tax rate changes are effective beginning January 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial Instruments

Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date that they are originated. All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company classifies its financial liabilities as either financial liabilities at fair value through profit or loss or other liabilities. Subsequent to initial recognition other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss.

Classification of financial instruments

The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management intent as outlined below:

	Classification
Cash	Fair value through profit or loss
Accounts Payable and Accrued Liabilities	Other liabilities
Notes Payable	Other liabilities
Notes Payable Related Party	Other liabilities

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those classified at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Critical accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below.

Biological assets and inventory

In calculating the value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plant. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

Estimated useful lives and depreciation and amortization of property, plant and equipment and intangible assets

Depreciation and amortization of property, plant and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

(n) New and revised IFRS in issue and adopted

IFRS 15 Revenue from Contracts with Customers (“IFRS15”)
IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company adopted the provisions of IFRS 15 as of January 1, 2016.

IFRS 9 Financial Instruments ("IFRS 9")
IFRS 9 was issued by the IASB in November 2009 and October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. The effective date of IFRS 9 is January 1, 2018. The Company adopted the provisions of IFRS 9 as of January 1, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New and revised IFRS in issue but not yet effective

IFRS 16 Leases
IFRS 16 was issued by the IASB in January 2016 and specifies the requirements to recognize, measure, present and disclose leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted.

The Company is assessing the impact of the new or revised IFRS standards in issue but not yet effective on its financial position and financial performance.

4. BIOLOGICAL ASSETS AND INVENTORIES

The Company's biological assets consists of seeds and medical cannabis plants. The change in biological assets for the years ended December 31, 2017 and 2016 was as follows:

	2017	2016
Beginning balance	$ -	$ -
Net change in fair value less costs to sell due to biological transformation	22,391,058	72,152
Transferred to inventory upon harvest	(12,652,758)	(72,152)
Ending balance	$ 9,738,300	$ -

The Company values its biological assets at the end of each reporting at fair value less costs to sell and complete. This is determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated price per gram less processing and selling costs. This model considers the progress in the plant life cycle.

The significant assumptions used in determining the fair value of medical cannabis plants are as follows:

- mortality of plants based on their various stages;
- yield by strain of plant;
- percentage of costs incurred to date compared to the total costs to be incurred are used to estimate the fair value of an in-process plant; and
- percentage of costs incurred for each stage of plant growth was estimated.

On average, the grow cycle is 14 weeks after they becoming established vegetative plants. All of the plants are to be harvested as agricultural produce (i.e., medical cannabis.) The Company measures the yield of cannabis in active grams extracted from a cohort of 64 plants. A cohort produces approximately 2,000 active grams.

4. BIOLOGICAL ASSETS AND INVENTORIES (CONTINUED)

Management has quantified the sensitivity of the inputs in relation to the biological assets for the year ended December 31, 2017, and determined the following:

- Selling price per active gram – a decrease in the selling price per active gram by 5% would result in the biological asset value decreasing by $992,000.
- Harvest of active yield per cohort – a decrease in the harvest of active grams per cohort of 5% would result in the biological asset value decreasing by $1,322,415.

These inputs are level 3 on the fair value hierarchy and are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

As of December 31, 2017, the biological assets were on average, 67% complete, with an estimated fair value less costs to sell of approximately $62.00 per active gram and will ultimately yield approximately $19,836,000 of cannabis products.

Inventories were comprised of the following items at December 31:

	2017	2016
Raw Material		
Harvested Cannabis	$ 109,488	$ 923,184
Supplies, packaging and materials	211,297	67,202
Total Raw Materials	320,785	990,386
Work in Process	860,310	118,176
Finished Goods	1,073,218	154,298
Total Inventories	$ 2,254,313	$ 1,262,860

5. PROPERTY, PLANT AND EQUIPMENT

At December 31, 2017 and 2016, Property, Plant and Equipment consist of:

	Land	Buildings & Improvements	Construction in Progress	Furniture & Equipment	Vehicles	Total
Cost						
At January 1, 2016	$ -	$ 241,845	$ 664,101	$ -	$ -	905,946
Additions	300,000	2,838,365	-	545,022	52,489	3,735,876
Transfers & disposals	-	-	-	-	-	-
At December 31, 2016	300,000	3,080,210	664,101	545,022	52,489	4,641,822
Additions	-	8,990,519	2,396,123	3,625,909	304,561	15,317,112
Transfers & disposals	-	-	-	-	-	-
At December 31, 2017	$ 300,000	$ 12,070,729	$ 3,060,224	$ 4,170,931	$ 357,050	$ 19,958,934
Accumulated Depreciation						
At January 1, 2016	$ -	$ -	$ -	$ -	$ -	$ -
Additions	-	76,539	-	28,847	7,812	113,198
Transfers & disposals	-	-	-	-	-	-
At December 31, 2016	-	76,539	-	28,847	7,812	113,198
Additions	-	316,437	-	197,555	44,019	558,011
Transfers & disposals	-	-	-	-	-	-
At December 31, 2017	$ -	$ 392,976	$ -	$ 226,402	$ 51,831	$ 671,209
Net book value						
At January 1, 2016	$ -	$ 241,845	$ 664,101	$ -	$ -	$ 905,946
At December 31, 2016	$ 300,000	$ 3,003,671	$ 664,101	$ 516,175	$ 44,677	$ 4,528,624
At December 31, 2017	$ 300,000	$ 11,677,753	$ 3,060,224	$ 3,944,529	$ 305,219	$ 19,287,725

The Company owns approximately 1,686,104 square feet of indoor and outdoor cultivation and processing space, and leases 30,000 square feet of indoor cultivation space. Currently, the Company has 1,350,864 square feet of cultivation facilities under construction. In addition, the Company currently operates 15 dispensaries each of which were built out at an approximate cost range of $125,000 to $250,000.

For the years ended December 31, 2017 and 2016, the Company capitalized interest of $99,811 and $0, respectively.

For the years ended December 31, 2017 and 2016, depreciation expense of $360,233 and $100,838, respectively, were considered as part of costs of goods sold.

6. NOTES PAYABLE

Notes payables to non-related parties consist of the following:

	December 31, 2017	December 31, 2016
Promissory note dated April 10, 2017, with annual interest at 12.0%, due April 10, 2019	$ 3,960,000	$ -
Promissory note dated December 7, 2017 with annual interest at 12%, secured by certain property located in Miami, FL, due December 31, 2021.	2,000,000	-
Less current portion	-	-
	$ 5,960,000	$ -

As disclosed in the Statement of Cash Flows, under other cash and non-investing activities, the non-cash portion of the note was $2,000,000 and was used to finance acquisition of property, plant and equipment.

Stated maturities of notes payables non-related parties are as follows:

Year Ending December 31,	
2018	$ -
2019	3,960,000
2020	-
2021	2,000,000
	$ 5,960,000

7. NOTES PAYABLE RELATED PARTY

At December 31, notes payable to related parties consisted of the following:

Related parties

	December 31, 2017	December 31, 2016
Notes payable due to related parties, with varying interest rates between 0% to 12.0% annual, with varying maturity dates	$ 8,730,563	$ 6,066,960
Less current portion	(2,359,183)	-
Less debt discount	(228,773)	(625,319)
	$ 6,142,607	$ 5,441,641

7. NOTES PAYABLE RELATED PARTY (CONTINUED)

In April 2016, the Company entered into a ten year $1,000,000 promissory note with a shareholder to finance the acquisition of certain tradename and professional reputation necessary to obtain its initial medical cannabis licenses. The promissory note bears an annual interest rate of 8%. During 2017, $448,391 was converted into 328.90 shares of the Company with a fair value of $1,217,030 and the Company recorded a loss on settlement of $768,639. The remaining balance plus accrued interest was paid in full in April 2018.

In April 2016, the Company entered into a two year $5,000,000 convertible note with Coast to Coast Management LLC (C2C), an entity controlled by a member of management and a shareholder. The Company recorded a net debt discount of $937,978 related to the conversion feature. The Company amortized this debt discount and recognized interest expense of $390,824 and $312,659, for the years ended December 31, 2017 and 2016, respectively. During the year ended December 31, 2017, the Company and C2C determined that $375,000 was a license fee and recognized as part of revenue and the remaining balance of $4,390,505 was converted into 1,250 shares of the Company.

During the years ended December 31, 2017 and 2016, the Company entered into various lines of credits and promissory notes with C2C and other entities controlled by members of management and shareholders to finance the buildout of various dispensary locations. Each line of credit and promissory note bears 8% annual interest and depending on the amount, matures between one to three years from initial drawdown. The Company determined that the stated interest rates were below market rates and recorded a debt discount of $275,434. The Company amortized this debt discount and recognized interest expense of $46,661 and $0, for the years ended December 31, 2017 and 2016, respectively. The principal balance at December 31, 2017 and 2016 of, $5,108,754 and $66,960, respectively, were outstanding related to these lines of credits and promissory notes. Approximately $1,500,000 of the outstanding C2C lines of credits was converted to a promissory note in April 2018 (see Note 14).

In September 2017, the Company entered into a $1,300,000 promissory note with a shareholder. The promissory note matures in January 2018 and bears an annual interest rate of 12%. The maturity of this promissory note was extended in a subsequent financing, which closed in May 2018 (see Note 14).

In November 2017, the Company entered into a two year $1,844,596 promissory note with the Company's Chief Executive Officer and a shareholder. The promissory note bears an annual interest rate of 12%. The maturity of this promissory note was extended in a subsequent financing, which closed in May 2018 (see Note 14).

As disclosed in the Statement of Cash Flows, under other cash and non-investing activities, the non-cash portion of the note was $6,804,972 and was used to finance acquisition of property, plant and equipment.

7. NOTES PAYABLE RELATED PARTY (CONTINUED)

Stated maturities of notes payables related parties are as follows:

Year Ending December 31,		
2018	$	2,359,183
2019		2,956,062
2020		2,797,631
2021		-
2022		-
Thereafter		617,687
	$	8,730,563

8. SHARE CAPITAL

The Company is authorized to issue 80,000 shares of common stock, par value $0.001 and 20,000 shares of preferred stock.

During 2017, the Company raised an additional $1,726,129 from its shareholders. No additional shares were issued and shareholders contributed in equal amounts.

As part of the convertible note payable to C2C, the Company recorded an additional contribution of $584,978 ($937,978 net of deferred taxes of $353,000) related to the conversion feature (see Note 7).

During 2016, the Company issued 4,250 shares to its shareholders and raised $2,487,453.

During 2016, the Company exchanged 750 shares for land and consulting services provided by a shareholder valued at $500,000.

During 2016, the Company declared and paid a dividend to its shareholders in the amount of $475,330.

9. INCOME TAXES

The components of the income tax provision (benefit) include:

	Year Ended December 31,			
	2017		2016	
Current	$	1,160,000	$	-
Deferred		3,558,000		(820,000)
	$	4,718,000	$	(820,000)

9. INCOME TAXES (CONTINUED)

A reconciliation of the Federal statutory income tax rate percentage to the effective tax rate is as follows:

	Year Ended December 31,	
	2017	2016
Statutory rate	39.5%	-34.0%
Tax effect of non-deductible expenses:		
Political contributions	1.1%	-
Nondeductible meals and entertainment	0.1%	-
Section 280E permanent differences	30.0%	15.9%
Related party interest nondeductible	2.1%	-
Loss on debt settled with equity	3.7%	-
Remaining deferred tax at December 31, 2016 due to conversion of note	-2.8%	-
Effevtive rate change	-16.7%	-0.2%
Change in prospective tax rates	17.5%	15.7%
Tax expense (benefit)	57.0%	-18.3%

Deferred income taxes consist of the following at December 31, 2017, which includes the effects of the reduction in the effective federal corporate income tax rate from 35% to 21% as required by the Act (see Note 3(k)). The components of deferred tax assets and liabilities are summarized below:

	Year Ended December 31,	
	2017	2016
Deferred tax assets		
Non-capital losses carried forward	$ -	$ 1,236,160
Deferred tax liabilities		
Biological assets	(2,581,000)	-
Loss on debt setteled with equity	-	(235,000)
Depreciation of property and equipment	(510,000)	(534,160)
Net deferred tax asset (liability)	$ (3,091,000)	$ 467,000

Certain temporary differences between reported amounts and their tax basis have been adjusted, added or eliminated due to the Act (see Note 3(k)). As a result, the Company recorded a one-time deferred income tax benefit of $1,387,423, which has been recognized in income tax expense from operations for the year ended December 31, 2017.

10. RELATED PARTIES

The Company had raised funds by issuing notes to related party and the balance at December 31, 2017 and 2016 was $8,730,563 and $6,066,960, respectively, as discussed in Note 7.

The Company dispensaries are leased from various real estate holding companies that are managed, controlled by various members of management and shareholders (see Note 11).

11. COMMITMENTS AND CONTINGENCIES

a) The Company leases production and retail space under operating leases which range in expiration up to June 2027 and also has equipment and other commitments with varying terms. All production and retail operating leases have optional renewal terms that the Company may exercise at its option. Certain facilities are occupied under the terms of lease agreements with related parties. The leases expire through 2023 and contain certain renewal provisions. Rent expense under these related party leases totaled $103,662 and $95,688 for the years ended December 31, 2017, and 2016, respectively.

b) Future minimum lease due in each of the next five years are as follows:

2018	$1,807 207
2019	1,973,448
2020	1,998,860
2021	2,049,693
2022	1,869,965
Thereafter	2,332,322
	$12,031,495

Rent expense for the year ended December 31, 2017 and 2016 was $994,638 and $226,109, respectively, of which $212,858 and $195,113 of rent expense were including in cost of goods sold.

c) Operating Licenses

Although the possession, cultivation and distribution of cannabis for medical use is permitted in Florida, cannabis is a Schedule-I controlled substance and its use remains a violation of federal law. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would likely result in the Company's inability to proceed with our business plans. In addition, the Company's assets, including real property, cash, equipment and other goods, could be subject to asset forfeiture because cannabis is still federally illegal.

d. Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. At December 31, 2017, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's combined operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and notes payable (both to third parties and related parties). The carrying values of these financial instruments approximate their fair values at December 31, 2017 and 2016.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 – Inputs for the asset or liability that are not based on observable market data.

There have been no transfers between fair value levels during the years ended December 31, 2017 and 2016.

The following table summarizes the Company's financial instruments at December 31, 2017:

		Other Financial Liabilities	Total
Other Financial Assets:			
Cash	$ 1,407,059	$ -	$ 1,407,059
Financial Liabilities			
Accounts Payable and Accrued Liabilities	$ -	$ 4,045,447	$ 4,045,447
Income Taxes Payable	$ -	$ 990,000	$ 990,000
Notes Payable	$ -	$ 5,960,000	$ 5,960,000
Notes Payable Related Party	$ -	$ 8,501,790	$ 8,501,790

The following table summarizes the Company's financial instruments at December 31, 2016:

		Other Financial Liabilities	Total
Other Financial Assets:			
Cash	$ 136,313	$ -	$ 136,313
Financial Liabilities			
Accounts Payable and Accrued Liabilities	$ -	$ 1,801,600	$ 1,801,600
Notes Payable Related Party	$ -	$ 5,441,641	$ 5,441,641

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. During the year ended December 31, 2017, the Company completed several notes payable financings see Notes 5 and 6.

In addition to the commitments outlined in Notes 5 and 6, the Company has the following contractual obligations at December 31, 2017:

	<1 Year	1 to 3 Years	3 to 5 Years	Total
Accounts Payable and Accrued Liabilities	$ 4,045,447	$ -	$ -	$ 4,045,447
Notes Payable	$ -	$ 3,960,000	$ 2,000,000	$ 5,960,000
Notes Payable Related Party	$ -	$ 8,501,790	$ -	$ 8,501,790

Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's financial debts have fixed rates of interest and therefore expose the Company to a limited interest rate fair value risk.

(ii) Concentration Risk

The Company operates exclusively in Florida. Should economic conditions deteriorate within that region, its results of operations and financial position would be negatively impacted.

(iii) Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. See Note 5 for the Company's assessment of certain changes in the fair value assumption used in the calculation of biological asset values.

13. GENERAL AND ADMINISTRATIVE EXPENSE

For the years ended December 31, general and administrative expenses were comprised of:

	December 31, 2017	December 31, 2016
Political Contributions	$ 389,604	$ 414,497
Professional Fees	243,181	380,181
Rent	101,810	-
Travel	98,216	62,412
Communications	92,044	31,359
All other general and administrative expenses	286,529	334,624
	$ 1,211,384	$ 1,223,073
Executive Compensation included in COGs	$ 277,192	$ 131,250

14. SUBSEQUENT EVENTS

In January 2018, the Company entered into a $6,000,000 promissory note with a 24 month maturity and 12% annual interest rate. The Company shall make monthly interest payments to the lender and all outstanding principal and any unpaid accrued interest shall be due and payable in full on maturity. If the Company goes public on any foreign or domestic exchange, this promissory note will be due within 90 days of the initial public offering. In conjunction with the closing of the promissory note, shareholders agreed to dilute their ownership by 1% and transfer shares to certain individuals, subject to approval by the state of Florida's Department of Health (DOH), as a cost of raising the funds. Approval was received by the DOH in March 2018 and the Company treated that dilution of shares as an additional debt discount.

In March 2018, the Company entered into a 24 month loan with an 8% annual interest rate with a related party for $158,900. The loan was funded in April 2018. The Company determined that the stated interest rate was below market rates and recorded a debt discount of $6,232.

In April 2018, the Company entered into a $6,000,000 promissory note with a 24 month maturity and 12% annual interest rate. Approximately $1,500,000 of the outstanding balance of C2C lines of credit was credited as part of the funding of this promissory note. The Company shall make monthly interest payments to the lender and all outstanding principal and any unpaid accrued interest shall be due and payable in full on maturity. If the Company goes public on any foreign or domestic exchange, this promissory note will be due within 90 days of the initial public offering. In conjunction with the closing of the promissory note, shareholders agreed to dilute their ownership by 1% and transfer shares to certain individuals, subject to approval by DOH, as a cost of raising the funds. Approval was received by the DOH in June 2018 and the Company treated that dilution of shares as an additional debt discount.

14. SUBSEQUENT EVENTS (CONTINUED)

In May 2018, the Company entered into two separate promissory notes for a total of $12,000,000. Each promissory note has a 24 month maturity and 12% annual interest rate. For one of the promissory notes certain notes payable from related parties and the transfer of title of one of the Company's facilities were credited as part of the funding and the Company received net cash of approximately $650,000. The other promissory note provided approximately $6,000,000 in additional capital to the Company. In conjunction with the closing of the promissory notes, shareholders agreed to dilute their ownership by 1% and transfer shares to certain individuals, subject to approval by DOH, as a cost of raising the funds. Approval was received by the DOH in June 2018 and the Company treated that dilution as an additional debt discount.

In June 2018, the Company entered into a 36 month loan with an 8% annual interest rate with a related party for $262,010. The Company determined that the stated interest rate was below market rates and recorded a debt discount of $14,814.

In July 2018, the Company entered into a non-binding letter agreement (Letter Agreement) with Schyan Exploration Inc. (Corporation) whereby the Company and the Corporation have agreed to merge their respective businesses resulting in a reverse takeover of the Corporation by the Company and change the business of the Corporation from a mining issuer to a marijuana issuer (the Transaction). Concurrently with the closing of the Transaction, the resulting issuer will apply to have its shares listed on the Canadian Securities Exchange (CSE). The Transaction is subject to the execution of a definitive agreement between the Company and the Corporation and the receipt of CSE, regulatory and shareholder approvals.

In August 2018, in connection with the Transaction, the Company issued 10,927,500 subscription receipts for gross proceeds of CDN $65,565,000.

TRULIEVE, INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017

(IN US DOLLARS)

TRULIEVE, INC.

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TRULIEVE, INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited – Prepared by Management)

As at

		June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
ASSETS			
Current Assets:			
Cash		$ 8,866,618	$ 1,407,059
Inventories	*Note 3*	5,592,302	2,254,313
Biological Assets	*Note 3*	17,970,940	9,738,300
Prepaid Expenses and Other Current Assets		1,249,402	182,467
Total Current Assets		33,679,262	13,582,139
Property and Equipment, Net	*Note 4*	36,949,975	19,287,725
Deposits		1,000,000	-
Intangible Assets - Tradename		1,000,000	1,000,000
TOTAL ASSETS		$ 72,629,237	$ 33,869,864
LIABILITIES			
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities		$ 3,155,784	$ 4,045,447
Income Tax Payable		5,680,000	1,135,000
Deferred Revenue		316,185	14,773
Notes Payable - Current Portion	*Note 5*	2,666,666	-
Notes Payable - Related Party - Current Portion	*Note 6*	2,359,183	2,359,183
Total Current Liabilities		14,177,818	7,554,403
Long-Term Liabilities:			
Notes Payable	*Note 5*	9,290,477	5,960,000
Notes Payable - Related Party	*Note 6*	17,780,818	6,142,607
Deferred Tax Liability		5,284,000	3,091,000
TOTAL LIABILITIES		46,533,113	22,748,010
SHAREHOLDERS' EQUITY			
Share Capital	*Note*	11,684,042	11,456,199
Accumulated Earnings/(Deficit)	*Note*	14,412,082	(334,345)
TOTAL SHAREHOLDERS' EQUITY	*Note*	26,096,124	11,121,854
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 72,629,237	$ 33,869,864

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

Nature of Operations (*Note 1*)
Subsequent Events (*Note 7*)

Approved and authorized by the Members on September 11, 2018

"Kim Rivers"
Director

"Ben Atkins"
Director

CONDENSED INTERIM STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(Unaudited – Prepared by Management)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Revenues, Net of Discounts	$ 23,298,771	$ 2,226,085	$ 38,545,570	$ 3,162,822
Cost of Goods Sold, Net	6,037,135	1,028,171	10,714,575	1,930,778
Gross Profit before Biological Asset Adjustment	17,261,636	1,197,914	27,830,995	1,232,044
Net Effect of Change in Fair Value of Biological Assets *Note 3*	3,020,633	6,292,357	8,232,633	6,292,357
Gross Profit	20,282,269	7,490,271	36,063,628	7,524,401
Expenses:				
General and Administrative	1,137,852	218,159	1,845,830	251,449
Sales and Marketing	4,893,419	111,593	8,857,130	1,733,009
Depreciation and Amortization	184,228	59,110	347,163	59,110
Total Expenses	6,215,499	388,862	11,050,123	2,043,568
Income From Operations	14,066,770	7,101,409	25,013,505	5,480,833
Other Income (Expense):				
Interest Expense, net	(792,174)	(132,581)	(1,119,338)	(273,510)
Loss on Debt Settled with Equity	-	-	-	(768,639)
Other Income, net	10,322	966	16,457	1,146
Total Other Expense	(781,852)	(131,615)	(1,102,881)	(1,041,003)
Income Before Provision for Income Taxes	13,284,918	6,969,794	23,910,624	4,439,830
Provision For Income Taxes	5,402,197	1,667,475	9,164,197	1,667,475
Net Income	$ 7,882,721	$ 5,302,319	$ 14,746,427	$ 2,772,355

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

CONDENSED INTERIM STATEMENTS OF CHANGES in SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Accumulated Earnings (Deficit)	Total
Balance, January 1, 2017	5,000.00	$ 3,847,101	$ (3,907,195)	$ (60,094)
Cash Contribution from Shareholders	-	1,592,148	-	1,592,148
Additional Contribution from the Issuance of Below Market Interest Debt	-	44,199	-	44,199
Settlement of Note Payable with Shares	328.90	1,217,030	-	1,217,030
Net Loss	-	-	2,772,355	2,772,355
Balance, June 30, 2017	5,328.90	$ 6,700,478	$ (1,134,840)	$ 5,565,638
Balance, January 1, 2018	6,578.90	11,456,199	(334,345)	$ 11,121,854
Issuance of common stock as debt discount	-	200,000	-	200,000
Additional Contribution from the Issuance of Below Market Interest Debt	-	27,843	-	27,843
Net Income	-	-	14,746,427	14,746,427
Balance, June 30, 2018	6,578.90	$ 11,684,042	$ 14,412,082	$ 26,096,124

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

TRULIEVE, INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(Unaudited – Prepared by Management)

	June 30, 2018	June 30, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income	$ 14,746,427	$ 2,772,355
Adjustments to Reconcile Net Income (Loss) to Net Cash Used In Operating Activities:		
Depreciation	969,972	59,110
Non-Cash Interest Expense	58,913	207,369
Non-Cash Loss on Debt Settled with Equity	-	768,639
Changes in Operating Assets and Liabilities:		
Inventory	(3,337,989)	(2,195,448)
Biological Assets	(8,232,640)	(6,292,357)
Prepaid Expenses and Other Current Assets	(1,066,935)	(74,731)
Deposits	(1,000,000)	-
Deferred Tax Assets/Liabilities	2,193,000	1,464,474
Accounts Payable and Accrued Liabilities	(994,468)	1,627,176
Due to Related Party	-	(234,000)
Income Tax Payable	4,545,000	-
Deferred Revenue	301,412	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	8,182,692	(1,897,413)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(15,907,717)	(2,497,714)
NET CASH USED IN INVESTING ACTIVITIES	(15,907,717)	(2,497,714)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Notes Payable	6,040,000	2,666,666
Payments on Notes Payable - Related Party	(2,012,030)	-
Payments on Notes Payable - Related Party	11,156,614	-
Proceeds from Additional Cash Contributions	-	1,592,148
NET CASH PROVIDED BY FINANCING ACTIVITIES	15,184,584	4,258,814
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,459,559	(136,313)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,407,059	136,313
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 8,866,618	$ -
CASH PAID DURING THE PERIOD FOR		
Interest	$ 1,281,893	$ 66,141
Taxes	$ 1,850,000	$ -

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(Unaudited – Prepared by Management)

	June 30, 2018	June 30, 2017
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchase of Property and Equipment Financed with Notes Payable - Related Party	$ 2,619,700	$ 1,976,071
Transfer of Shares Treated as a Debt Discount	$ 200,000	$ -
Settlement of Note Payable - Related Party with Shares	$ -	$ 448,391
Purchase of Property and Equipment Financed with Accounts Payable	$ 104,805	$ -
Debt Discount Related to Below Market Interest Debt	$ 27,843	$ 44,199

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

1. DESCRIPTION OF BUSINESS

Trulieve, Inc., formerly known as George Hackney Inc., ("Trulieve, Inc." or the "Company") is a privately held Corporation existing under the laws of the State of Florida. Trulieve, Inc. is a vertically integrated cannabis company and is licensed under the laws of the State of Florida to cultivate, produce, and sell medicinal-use cannabis products within such state.

The Company's registered office is located at 24671 US HWY 19 N, Clearwater, Florida 33763 USA

2. BASIS OF PRESENTATION

Statement of Compliance
The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting*, following the same accounting policies and methods of application as those disclosed in the annual audited financial statements for the years ended December 31, 2017 and 2016. The condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the years ended December 31, 2017 and 2016, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). There has been no material impact on these financial statements from changes in accounting standards during the period.

These condensed interim financial statements were approved by the Board of Directors and authorized for issue by the Board of Directors on September 11, 2018

Basis of Measurement
These condensed interim financial statements have been prepared on the going concern basis, under the historical cost basis except for biological assets and certain financial instruments, which are measured at fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets.

Functional Currency
The Company's functional currency, as determined by management, is the United States ("U.S.") dollar. These financial statements are presented in U.S. dollars.

3. BIOLOGICAL ASSETS AND INVENTORIES

The change in the biological assets for the six months ended June 30, 2018 and the year ended December 31, 2017 consisted of the following:

	June 30, 2018	December 31, 2017
Beginning balance	$ 9,738,300	$ -
Net change in fair value less costs to sell due to biological transformation	39,304,843	22,391,058
Transferred to inventory upon harvest	(31,072,203)	(12,652,758)
Ending balance	$ 17,970,940	$ 9,738,300

The Company values its biological assets at the end of each reporting at fair value less costs to sell and complete. This is determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated price per gram less processing and selling costs. This model considers the progress in the plant life cycle.

The significant assumptions used in determining the fair value of medical cannabis plants are as follows:

- wastage of plants based on their various stages;
- yield by strain of plant;
- percentage of costs incurred to date compared to the total costs to be incurred are used to estimate the fair value of an in-process plant; and
- percentage of costs incurred for each stage of plant growth was estimated.

On average, the grow cycle is 14 weeks after they becoming established vegetative plants. All of the plants are to be harvested as agricultural produce (i.e., medical cannabis.) The Company measures the yield of cannabis in active grams extracted from a cohort of 64 plants. A cohort produces approximately 2,000 active grams.

Management has quantified the sensitivity of the inputs in relation to the biological assets at June 30, 2018 and December 31, 2017, and determined the following:

- Selling price per active gram – a decrease in the selling price per active gram by 5% would result in the biological asset value decreasing by $1,381,235 ($992,000 at December 31, 2017).
- Harvest of active yield per cohort – a decrease in the harvest of active grams per cohort of 5% would result in the biological asset value decreasing by $1,841,647 ($1,322,415 at December 31, 2017).

3. BIOLOGICAL ASSETS AND INVENTORIES (CONTINUED)

These inputs are level 3 on the fair value hierarchy and are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

As of June 30, 2018, the biological assets were on average, 68% (67% as of December 31, 2017) complete, with an estimated fair value less costs to sell of approximately $67.00 per active gram ($62.00 per active gram as of December 31, 2017) and will ultimately yield approximately $27,624,000 ($19,836,000 as of December 31, 2017) of cannabis products.

Inventories was comprised of the following items:

	June 30, 2018	December 31, 2017
Raw Material		
Harvested Cannabis	$ 253,663	$ 109,488
Packaging and miscellaneous	1,604,603	211,297
Total Raw Material	1,858,266	320,785
Work in Process	808,607	860,310
Finished Goods	2,925,429	1,073,218
Total Inventories	$ 5,592,302	$ 2,254,313

4. PROPERTY, PLANT AND EQUIPMENT

At June 30, 2018 and December 31, 2017, Property, Plant and Equipment consisted of:

	Land	Buildings & Improvements	Construction in Progress	Furniture & Equipment	Vehicles	Total
Cost						
At December 31, 2017	$ 300,000	$ 12,070,729	$ 3,060,224	$ 4,170,931	$ 357,050	19,958,934
Additions	1,746,279	8,845,298	842,511	8,986,615	-	20,420,703
Transfers & disposals	-	(57,336)	(1,317,314)	(356,080)	(57,751)	(1,788,481)
At June 30, 2018	2,046,279	20,858,691	2,585,421	12,801,466	299,299	38,591,156
Accumulated Depreciation						
At December 31, 2017	$ -	$ 392,976	$ -	$ 226,402	$ 51,831	$ 671,209
Additions	-	521,321	-	397,649	51,002	969,972
Transfers & disposals	-	-	-	-	-	-
At June 30, 2018	-	914,297	-	624,051	102,833	1,641,181
Net book value						
At December 31, 2017	$ 300,000	$ 11,677,753	$ 3,060,224	$ 3,944,529	$ 305,219	$ 19,287,725
At June 30, 2018	$ 2,046,279	$ 19,944,394	$ 2,585,421	$ 12,177,415	$ 196,466	$ 36,949,975

For the three and six months ended June 30, 2018, the Company capitalized interest of $83,083 and $247,352, respectively. The Company did not capitalized any interest in either of the three or six months ended June 30, 2017.

For the three months ended June 30, 2018 and 2017, depreciation expense of $392,809 and $0, respectively, were considered as part of costs of goods sold. For the six months ended June 30, 2018 and 2017, depreciation expense of $622,809 and $0, respectively, were considered as part of costs of goods sold.

5. NOTES PAYABLE

At June 30, 2018 and December 31, 2017 notes payable consisted of the following:

	June 30, 2018	December 31, 2017
Promissory note dated April 10, 2017, with annual interest at 12.0%, due between April and July 2019.	$ 4,000,000	$ 3,960,000
Promissory note dated December 7, 2017 with annual interest at 12%, secured by certain property located in Miami, FL, due December 31, 2021.	2,000,000	2,000,000
Promissory note dated January 11, 2018 with annual interest at 12%, due January 2020.	6,000,000	-
Less debt discount	(42,857)	-
Less current portion	(2,666,666)	-
	$ 9,290,477	$ 5,960,000

In January 2018, the Company entered into a $6,000,000 promissory note with a 24 month maturity and 12% annual interest rate. The Company shall make monthly interest payments to the lender and all outstanding principal and any unpaid accrued interest shall be due and payable in full on maturity. If the Company goes public on any foreign or domestic exchange, this promissory note will be due within 90 days of the initial public offering. In conjunction with the closing of the promissory note, shareholders agreed to dilute their ownership by 1% and transfer shares to certain individuals, subject to approval by the state of Florida's Department of Health (DOH), as a cost of raising the funds. Approval was received by the DOH in March 2018 and the Company treated that dilution of shares as an additional debt discount.

6. NOTES PAYABLE RELATED PARTY

At June 30, 2018 and December 31, 2017 notes payable to related parties consisted of the following:

	June 30, 2018	December 31, 2017
Notes payable due to related parties, with varying interest rates between 0% to 12.0% annual, with varying maturity dates	$ 20,338,741	$ 8,730,563
Less current portion	(2,359,183)	(2,359,183)
Less debt discount	(198,740)	(228,773)
	$ 17,780,818	$ 6,142,607

6. NOTES PAYABLE RELATED PARTY (Continued)

In March 2018, the Company entered into a 24 month loan with an 8% annual interest rate with a related party for $158,900. The loan was funded in April 2018. The Company determined that the stated interest rate was below market rates and recorded a debt discount of $6,232.

In April 2018, the Company entered into a $6,000,000 promissory note with a 24 month maturity and 12% annual interest rate. Approximately $1,500,000 of the outstanding balance of C2C lines of credit was credited as part of the funding of this promissory note. The Company shall make monthly interest payments to the lender and all outstanding principal and any unpaid accrued interest shall be due and payable in full on maturity. If the Company goes public on any foreign or domestic exchange, this promissory note will be due within 90 days of the initial public offering. In conjunction with the closing of the promissory note, shareholders agreed to dilute their ownership by 1% and transfer shares to certain individuals, subject to approval by DOH, as a cost of raising the funds. Approval was received by the DOH in June 2018 and the Company treated that dilution of shares as an additional debt discount of $50,000.

In May 2018, the Company entered into two separate promissory notes for a total of $12,000,000. Each promissory note has a 24 month maturity and 12% annual interest rate. For one of the promissory notes certain notes payable from related parties and the transfer of title of one of the Company's facilities were credited as part of the funding and the Company received net cash of approximately $650,000. The other promissory note provided approximately $6,000,000 in additional capital to the Company. In conjunction with the closing of the promissory notes, shareholders agreed to dilute their ownership by 1% and transfer shares to certain individuals, subject to approval by DOH, as a cost of raising the funds. Approval was received by the DOH in June 2018 and the Company treated that dilution as an additional debt discount of $50,000 per note.

In June 2018, the Company entered into a 36 month loan with an 8% annual interest rate with a related party for $262,010. The Company determined that the stated interest rate was below market rates and recorded a debt discount of $14,814.

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through September 11, 2018, which is the date these financial statements were approved by the Board of Directors.

In July 2018, the Company entered into a non-binding letter agreement (Letter Agreement) with Schyan Exploration Inc. (Corporation) whereby the Company and the Corporation have agreed to merge their respective businesses resulting in a reverse takeover of the Corporation by the Company and change the business of the Corporation from a mining issuer to a marijuana issuer (the Transaction). Concurrently with the closing of the Transaction, the resulting issuer will apply to have its shares listed on the Canadian Securities Exchange (CSE). The Transaction is subject to the execution of a definitive agreement between the Company and the Corporation and the receipt of CSE, regulatory and shareholder approvals.

In August 2018, in connection with the Transaction, the Company issued 10,927,500 subscription receipts for gross proceeds of CDN $65,565,000.

SCHEDULE "C"

MD&A OF SCHYAN EXPLORATION INC.

EXPLORATION SCHYAN EXPLORATION INC.

Management's Discussion and Analysis of Financial Condition and Results of Operation

For the three and six months ended June 30, 2018

This management discussion and analysis ("MD&A") is prepared as at August 27, 2018 and should be read in conjunction with the June 30, 2018 and 2017 unaudited interim condensed financial statements and related notes to the unaudited interim condensed financial statements and the audited financial statements for the years ended December 31, 2017 and 2016 of Schyan Exploration Inc. / Exploration Schyan Inc. ("Schyan" or the "Company"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements.

Cautionary Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates. The uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Schyan to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Schyan to fund the capital and operating expenses necessary to achieve the business objectives of Schyan, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Schyan. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Schyan should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

OVERVIEW
Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company") was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company's registered and head office is located at 370 Steeles Avenue West, Suite 203, Thornhill, Ontario, L4J 6X1.

The Company's goal is to acquire and explore mineral properties in Canada.

The Company does not hold any interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These include commodity prices, availability of capital, exploration risks, regulatory risks, environmental risks, competition, dependence on key personnel, potential risks relating to mineral titles and aboriginal land claims, currency risk and potential amendments to tax laws.

Overall Performance
For six months ended June 30, 2018 the Company's cash and cash equivalent position decreased by $13,078 to $13,225 from $26,303 as at December 31, 2017.

For the six months ended June 30, 2018, the Company's exploration expenditures remained unchanged (2017 – increased by $25) to a cumulative total of $325,972. Exploration expenditures have been curtailed until the Company is able to raise funds.

Trends
There are no trends, commitments, events or uncertainties presently known or identifiable to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations. The nature of the Company's business is demanding of capital for property acquisition costs, exploration commitments and holding costs. The Company intends to utilize cash on hand to meet these obligations and will continue to try to raise funds by equity financings as necessary to augment its cash position, as it does not have any operating cash flow.

Review of Operations

Six Month Period Ended June 30, 2018 and 2017
The Company had net loss of $105,024 or $0.03 a share for the six month period ended June 30, 2018, compared to a net loss of $13,422 or $0.00 a share for the same period in 2017.

Legal and audit fees were $48,643 for the six months ended June 30, 2018, as compared to $8,294 for the six months ended June 30, 2017. The increase is due to additional fees incurred relating to the potential transaction.

Shareholder information expenses for the six months ended June 30, 2018 were $4,815 as compared to $4,582 for the comparable period. The increase is related fees to higher transfer agent fees.

General and administrative expenses for the six months ended June 30, 2018 were $5,852 as compared to $6,610 for the comparable period. The decrease is due to lower general office expenses in the current period.

Investor relations and travel expenses for the six months ended June 30, 2018 were $5,964 as compared to $4,911 for the comparable period. There were less trips made by the management in the previous period compared to the current period.

There was a decrease of ($39,750) in the fair value of the short term investment, as compared to an increase of $11,000 for the comparable period.

For the six months ended June 30, 2018, the Company's exploration expenditures remained unchanged (2017 – increased by $25) to a cumulative total of $325,972. Exploration expenditures have been curtailed until the Company is able to raise funds.

Three Month Period Ended June 30, 2018 and 2017
The Company had net loss of $65,267 or $0.02 a share for the three month period ended June 30, 2018, compared to a net loss of $14,813 or $0.00 a share for the same period ended June 30, 2017.

Legal and audit fees were $46,643 for the three months ended June 30, 2018, as compared to $5,225 for the three months ended June 30, 2017. The increase is due to additional fees incurred relating to the potential transaction.

Shareholder information expenses for the three months ended June 30, 2018 were $2,818 as compared to $3,066 for the comparable period. The decrease is the trade shows the Company participated in in 2017.

General and administrative expenses for the three months ended June 30, 2018 were $1,556 as compared to $3,454 for the comparable period. The decrease is due to lower general office expenses in the current period.

Investor relations and travel expenses for the three months ended June 30, 2018 were $nil as compared to $3,298 for the comparable period.

There was a decrease of ($14,250) in the fair value of the short term investment, as compared to an increase of $250 for the comparable period.

For the three months ended June 30, 2018, the Company's exploration expenditures remained unchanged (2017 – nil) to a cumulative total of $325,972. Exploration expenditures have been curtailed until the Company is able to raise funds.

Exploration Activities and Outlook

Casino Property
The Casino property is made up of one block of 39 claims at June 30, 2018, totaling 1,665 ha. It is located in Cadillac Township and lies 8 km NE of the town of Cadillac, Quebec.

A two-hole diamond drill program was completed on the property between September 5th and November 22nd, 2016. The best results were from Hole C-16-01 which returned 18.2 g/t Ag over1.5 m within a mixed wacke and argillite sediment.

The two diamond drill holes completed in 2016 on the Casino Property intersected near distal horizons in a Volcanic Massive Sulphide environment lateral to any economic mineralized areas.

The Company recommends that future work on the property should be targeted at the electromagnetic conductors along strike to the east under Lac Cadillac.

Selected Financial Information

The information below should be read in conjunction with the management's discussion and analysis, the financial statements and related notes and other financial information for the appropriate periods referred to below. The following is for the years ended:

	Year ended December 31, 2017	**Year ended December 31, 2016**	**Year ended December 31, 2015**
	$	$	$
Total revenue	-	-	366
Net Income (Loss)	(45,713)	(9,846)	37,193
Loss per share	(0.01)	(0.002)	0.01
Total assets	112,382	139,386	129,159

Results for the three months ended:

	June 2018	March 2018	December 2017	September 2017
	$	$	$	$
Net loss	(65,267)	(39,757)	(15,627)	(16,664)
Loss per share	0.02	0.01	(0.00)	(0.00)

	June 2017	March 2017	December 2016	September 2016
	$	$	$	$
Net income (loss)	(14,813)	1,391	(60,274)	(41,389)
Earnings (loss) per share	(0.00)	0.00	(0.015)	(0.01)

Liquidity and Capital Resources
The Company has no production or significant other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

Related Party Transactions

	June 30, 2018	December 31, 2017
Balance, beginning of year/period	$ 319,618	$ 306,406
Transactions in the year/period:		
Related party reimbursements payable	9,415	13,212
Balance, end of year/period	$ 329,033	$ 319,618

The balances due to related parties are owing to directors and officers of the Company and are unsecured, non-interest bearing and due on demand.

As at June 30, 2018, the trade and other payables balance includes related party amounts of $nil (December 31, 2017 - $5,370). The related parties are directors of the Company. The amounts are for services rendered during previous periods and arose as a result of transactions entered into with the related parties in the ordinary course of business.

Recent Events
The Company is focused on exploring and developing its base metals and gold properties located in the Township of Cadillac, county of Abitibi, in the Province of Quebec.

ADDITIONAL DISCLOSURE FOR REPORTING ISSUERS WITHOUT SIGNIFICANT REVENUE

	June 30, 2018	June 30, 2017
Exploration and evaluation expenditures	**$ -**	$ 25
Corporate expenses	**65,274**	24,397
Total assets	**57,367**	140,468

Exploration and evaluation expenditures	**Six Months Ended June 30, 2018 Expensed**	Six Months Ended June 30, 2017 Expensed
Property acquisition costs	**$ -**	$ 25
	$ -	$ 25

Corporate Expenses	**Six Months Ended June 30, 2018**	Six Months Ended June 30, 2017
Professional fees	**$ 48,643**	$ 8,294
General and administrative	**5,852**	6,610
Shareholder information	**4,815**	4,582
Investor relations and travel	**5,964**	4,911
Corporate Expenses	**$ 65,274**	$ 24,397

Outstanding share data	**June 30, 2018**	June 30, 2017
Issued and outstanding common shares	**3,961,372**	3,961,372
Outstanding options to purchase common shares	**-**	-
Fully-diluted	**3,961,372**	3,961,372

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Subsequent Events
On July 10, 2018, the Company announced that it settled an aggregate of $410,759 of indebtedness owed to certain arms-length creditors through the issuance of an aggregate of 10,268,987 common shares (“Common Shares”) of the Company a price of $0.04 per Common Share (the “Debt Settlement”). All Common Shares issued in connection with the Debt Settlement are subject to a statutory old period of four month plus a day from the date of issuance in accordance with applicable securities legislation.

On July 18, 2018, the Company announced that it entered into a non-binding letter agreement (“Letter Agreement”) with George Hackney, Inc. d.b.a. Trulieve (“Trulieve”) whereby the Company and Trulieve have agreed to merge their respective businesses resulting in a reverse takeover of the Company by Truelieve and change the business of the Company from a mining issuer to a marijuana issuer (the “Transaction”). Concurrently with the closing on the Transaction, the resulting issuer will apply to have its shares listed on the Canadian Securities Exchange (“CSE”). The transaction is subject to the execution of a definitive agreement between Trulieve and the Company and the receipt of CSE, regulatory and shareholder approvals.

On August 16, 2018, the Company announced that it settled an aggregate of $78,345 of indebtedness owed to certain arms-length creditors through the issuance of an aggregate of 1,958,613 common shares (“Common Shares”) of the Company a price of $0.04 per Common Share (the “Debt Settlement”). All Common Shares issued in connection with the Debt Settlement are subject to a statutory old period of four month plus a day from August 15, 2018 in accordance with applicable securities legislation.

Financial Instruments and Other Instruments
The Company’s financial instruments consist of cash, short-term investment, trade and other payables and due to related parties. It is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends
The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Assessment of Recoverability of Deferred Income Tax Assets
In preparing the financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered probable, no deferred income tax asset is recognized.

Assessment of Recoverability of Receivables Including HST
The carrying amount of accounts receivables and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Other Risk Factors

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospective properties for mineral exploration in the future.

Financial Risk Factors

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.

b. **Receivables and other assets** – The Company is not exposed to significant credit risk as this amount is due from the Canadian Federal government.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2018, the Company had a working capital deficiency of $456,652 (December 31, 2017 - $351,628). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk
The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

b. Price risk
The Company holds the common shares of publicly traded companies. The Company has classified these investments as FVTPL and such common shares are subject to stock market volatility. The value of these financial instruments fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

Sensitivity Analysis
The Company has designated its cash and cash equivalents as held for trading, which is measured at fair value; the carrying amount of the financial instruments equals fair market value.

Management believes that, based on their knowledge and experience of financial markets, the following sensitivity analysis is appropriate for its cash and cash equivalents and its exposure to foreign exchange risk: The Company's funds are held primarily in short term investment grade deposits, the rates of which are fixed for a period not exceeding 12 months.

As of June 30, 2018 the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

(i) The Company's short-term investments are subject to fair value fluctuations. As at June 30, 2018, if the quoted market value of short-term investments had decreased/increased by 10% net loss would have been approximately $4,250 (December 31, 2017 - $8,225) higher/lower. Similarly, as at June 30, 2018, reported equity would have been approximately $4,250 (December 31, 2017 - $8,225) lower/higher as a result of a 10% decrease/increase in the fair value of short-term investments.

(ii) The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

New standards and interpretations adopted
Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRSIC") that are mandatory and applicable to Schyan for its annual period beginning January 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has been adopted and the Company has assessed that the new standard has no significant impact to the financial statements.

IFRS 9 Financial Instruments. - IFRS 9 covers the classification and measurement, impairment and hedge accounting of financial assets and financial liabilities and the effective date is for annual periods on or after January 1, 2018. Amendments to IFRS 9 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

Critical Accounting Estimates
Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates relate primarily to the recoverable value of its mineral properties and related deferred exploration costs.

These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

If the going concern assumption was not appropriate for the six months ended June 30, 2018 financial statements, then adjustments would be necessary to the carrying value of assets and liabilities and the reported loss.

Internal Control over Financial Reporting
Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Treasurer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management of the Company, with the participation of the President and Chief Executive Officer and the Treasurer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Treasurer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Treasurer, as appropriate to allow timely decisions regarding required disclosure.

Milestones
As of June 30, 2018, the Company had not met its milestone of having the shares of the Company trading on an exchange. Management is hopeful this milestone will be achieved during the next several quarters.

Management's Responsibility
Management is responsible for all information contained in this report. The unaudited interim condensed financial statements for the three and six months ended June 30, 2018 have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the financial statements for the three and six months ended June 30, 2018 in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Board of Directors has approved the financial statements on the recommendation of the Audit Committee.

Lisa McCormack, CEO
August 27, 2018

SCHEDULE "D"

MD&A OF TRULIEVE, INC.

SCHEDULE "D"
ANNUAL AND INTERIM MD&A OF TRULIEVE, INC.

*This management discussion and analysis ("**MD&A**") of the financial condition and results of operations of Trulieve, Inc. ("**Trulieve**" or, the "**Corporation**") is for the year ended December 31, 2017. It is supplemental to, and should be read in conjunction with, the Corporation's audited combined financial statements and the accompanying notes for the year ended December 31, 2017. The Corporation's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Financial information presented in this MD&A is presented in United States dollars ("**$**" or "**US$**"), unless otherwise indicated.*

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable United States securities laws and Canadian securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading "Cautionary Note Regarding Forward-Looking Information", located at the beginning of this Listing Statement. As a result of many factors, the Corporation's actual results may differ materially from those anticipated in these forward-looking statements and information.

All references to "$" are to United States dollars unless otherwise specified.

OVERVIEW OF THE COMPANY

Business of Trulieve

General Business of the Resulting Issuer

The below description of Trulieve will become the Resulting Issuer's Business.

Trulieve is the first fully licensed medical cannabis company in Florida and the first company to reach scale. Trulieve has capitalized on its first mover advantage by capturing approximately 70% average market share as reported by the Department of Health in milligrams dispensed since January 1, 2018. Trulieve has 16 of the 51 open dispensary locations throughout the state and also services patients via home delivery service. Since opening, Trulieve has served over 83,000 unique patients.

As a vertically integrated company with a patient-first mantra, Trulieve has developed a suite of Trulieve branded products with over 80 skus including flower pods for vaporizing, concentrates, topicals, capsules, tinctures, and vape cartridges. Trulieve branded products are distributed across the Trulieve store platform as well as via home delivery.

Headquartered in Quincy, Florida Trulieve is focused on being the brand leader for quality medical cannabis products and service in Florida and beyond. Trulieve employs over 900 people and is committed to providing patients a consistent and welcoming retail experience across Trulieve branded stores. The ability to quickly scale and penetrate in all necessary business segments (cultivation, production, sales and distribution) gives Trulieve the unique ability to secure and maintain the position of market leader in Florida and to inject those expertise effectively into other regulated market opportunities.

SUMMARY OF OPERATING BUSINESS

Trulieve is a vertically-integrated company in a highly-regulated market with cultivation, processing, and distribution activities. Trulieve has developed proficiencies in each of these functions and is committed to utilizing predictive analytics which inform Trulieve in the areas of sales trends, patient demographics, new product launch criteria and capacity requirements and create the foundation upon which Trulieve has built sustainable, profitable growth.

Ownership of the entire supply chain mitigates potential third-party risks and allows Trulieve to completely control the quality of the product and the brand experience resulting in high patient retention and repeat customers. Trulieve successfully operates at scale the core business functions of cultivation, production and distribution. The Trulieve brand philosophy of patients first permeates the Trulieve culture from the cultivation and production operations to the call center and into the stores.

Data Utilization to create Predictive Analytics

Trulieve collects and analyzes data throughout the entire seed to sale process of the enterprise. All strategic and tactical business decisions are driven by historical data coupled with predictive analytics to ensure the best possible solution is formulated and executed. Data collection systems are cloud based and backed up to ensure the utmost security and integrity of data repositories.

In our cultivation activities, Trulieve uses data analytics to record, monitor, communicate and optimize the yield potential of each harvest by strain. Daily logs are recorded on the cloud database and capture such metrics as nutrient application, temperature, humidity, CO2 levels, light intensity, light duration, grow medium pH, grow medium Electro-Conductivity (EC) at various locations within each growing room. Trulieve considers these data sets as the harvest vitals that are continuously monitored to ensure peak performance of each strain maintained. At harvest, the cultivation log is paired with the room's daily log and analyzed against previous harvests of the same strain.

All strain weights and potencies are recorded by batch and stored in the database. Trulieve uses this data to predict future yields and planning of future crop rotations to meet patient demands. The predictive analysis ensures Trulieve operates in an efficient manner to maximize the harvest output to cost ratio.

Trulieve also uses data analytics throughout the entire manufacturing process to monitor progress real-time, ensure quality is maintained at the highest level and analyzed to maximize lean flow efficiency. Consistency is paramount to Trulieve and tracking of the recorded data guarantees uniformity for all products shipped.

Once products are in the stores, each sales transaction is collected with patient demographics and product selection. The reports from the recorded information allows Trulieve to track and analyze by retail location sales trends, grams dispensed, products sold by subcategory, patient demographics and purchasing habits. Trulieve uses this data for regression and predictive analysis, for cultivation crop planning, final derivative product production planning, and patient marketing. The data is also key in planning future cultivation, processing and retail expansion projects through the analysis of sales trends, and patient purchasing habits coupled with other outside data collection activities.

High-Yield Cultivation Facilities and Techniques

Trulieve transforms raw cannabis flower into the Trulieve portfolio of products sold in Trulieve stores. With a focus on scalable operations, Trulieve has detailed Standard Operating Procedures as well as robust training protocols across its cultivation facilities to grow a consistent, quality product.

Trulieve has quickly scaled and currently operates 468,000 square feet of cultivation facilities across 3 sites. Per Florida law, Trulieve grows in enclosed structures operating both indoor and greenhouse style grows. Trulieve currently has the ability to grow 17,199 kg of cannabis annually. Trulieve has an additional 95,420 square feet of cultivation capacity under construction which will be completed by year end 2018. Upon completion, Trulieve will have an additional 9,804 kg per year of capacity for a total cultivation capacity of 27,005 kg per year. In addition, Trulieve is working to rapidly and substantially increase its greenhouse capacity. The ability to quickly execute and operate high-yield, scaled cultivation operations is critical in Florida as well as other vertical markets. Trulieve grows a variety of 45 cannabis flower strains and is poised for expansion if the state allows flower products for smoking. Continuing the

Trulieve philosophy of standing behind the products we sell, Trulieve utilizes a third-party company to certify the genetic composition of each strain and provides the reports to patients and physicians.

Scaled, Quality Production

As a vertically-integrated company Trulieve produces 100% of all products sold in Trulieve stores. Currently, Trulieve extracts 30,000 mg of active THC or CBD per week (depending on the product requirements) and manufactures on average 45,000 products for sale each week. Trulieve has successfully obtained Good Manufacturing Practices (“GMP”) certification for its production facilities and has detailed Standard Operating Procedures and Quality Control measures in place to ensure quality products are delivered to Trulieve’s patients.

Trulieve primarily utilizes super critical ethanol extraction systems and techniques for the majority of its products. Trulieve recently installed a carbon dioxide system and will be launching new products utilizing this technology over the next 120 days. Trulieve has purchased and is renovating a 55,000 square foot building to relocate its production and shipping activities as well as to house a state of the art kitchen and hydrocarbon extraction facility in anticipation of edibles and hydrocarbon products being allowable by state regulators. It is anticipated this building will be complete in 2018.

Currently Trulieve manufactures, assembles, packages and ships products in a variety of market segments with over 80 stock keeping units “SKUs”. These product segments are as follows:

- Inhalation – 250mg and 600 mg vape cartridges; Trulieve engineered flower containers for vaporization
- Oral – 10 mg and 50 mg capsules
- Sublingual – 500 mg CBD and 1:1 ratio tinctures
- Topical – 250 mg Lotion with Sunscreen and Muscle Rub products in development
- Internasal – licensed internasal spray product
- Concentrates – 800 mg TruPods and 850 mg TruClear and TruShatter concentrate products

Quality is paramount to Trulieve and its patients. Trulieve has a robust quality control department with dedicated quality trained specialists to perform in-line and end product inspections. All quality issues are reported, logged and investigated to inform process improvements. In addition, Trulieve has on-site testing capabilities via its state of the art laboratory. Trulieve tests all final batches of products to ensure compliance with state and internal quality standards. Trulieve also utilizes an independent third-party lab to test every batch of products. Although not a state requirement, Trulieve’s goal is to ensure a safe product and transparency with patients regarding Trulieve products. Trulieve has third party testing completed for the following items: potency, terpene profile, pesticides, microbials, mycotoxins, heavy metals and residual solvents. These reports are available on the Trulieve website for patients or physicians to access. With a product return rate of less than 2% Trulieve has worked to achieve high patient satisfaction with Trulieve products.

Marketing and Community Outreach

Trulieve’s marketing strategies center around education and outreach to three main customer categories: Physicians, patients and potential patients.

Physicians are a critical component in our success and we provide industry leading education, outreach and support to all registered Florida medical cannabis Physicians. Our educational materials are designed to help Physicians understand the science behind cannabis, how our plants are cultivated with the highest standards and products are created to provide relief to their patients. We create educational tools in both print and digital form to allow for quick implementation of new information and ease of access to busy physicians. Trulieve’s dedicated Physician education team delivers in-person outreach on a consistent basis as well as immediate phone support through a Physician education team member in our call center.

Patients learn about Trulieve through the success of our Physician education program as well as many patient-centric community activities. We participate in dozens of patient outreach and community events on a monthly basis. An engaged patient audience is captured through our digital content marketing which includes email, website, app, social media and mainstream industry websites.

Potential patients are not forgotten through our marketing strategies. Trulieve also attends many events focused on educating non-patients who may benefit such as veterans, seniors, condition specific organizations and general health and wellness events. The media is a great asset to our marketing plan and have helped us organically teach the state of Florida about Trulieve. We utilize press releases to cover important information and reach a large audience. Search engine optimization of our website also captures potential patients in the research phase of their journey. Our easy to use “Find a Doctor” tool and question and answer section of our website helps patients find the process of becoming a patient achievable.

Patient Focused Experiences

It is Trulieve’s goal to create raving fans who are loyal to the Trulieve brand and in return to provide these patients a superior level of customer service and product selection. Trulieve accomplishes this goal thru several key strategies:

1. Training our employees to focus on the patient experience and deliver exceptional service
2. Measurement of customer service success
3. Creating positive patient experiences through the consistent design of Trulieve dispensaries
4. Giving patient multiple methods by which to order products that is the most convenient for their circumstances including home delivery
5. Successful creation and execution of the Trulievers loyalty program with high adoption and engagement with patients via various channels
6. Continuous product innovation thru research and development activities

TRAINING

The Trulieve patient experience is an area of high-focus for the Company. Trulieve employs a number of training protocols and systems to ensure that the patient experience is a positive one across all Trulieve branded locations and with each interaction with a Trulieve employee. Trulieve utilizes technology with online based training modules to effectively communicate updates of any company policy as well as regulatory changes and new product launches so every employee receives a consistent message so effective messaging can occur simultaneously throughout the company. With a robust and consistently updated catalogue of training modules, newly hired employees are assigned a training platform based on the employee’s position. Managers track completion and competency within the system and also have the ability to re-assign modules or require additional training in areas needed. In addition to online training, managers employ on-the-job training sessions with employees centered around relevant topics determined by managers and regional managers weekly.

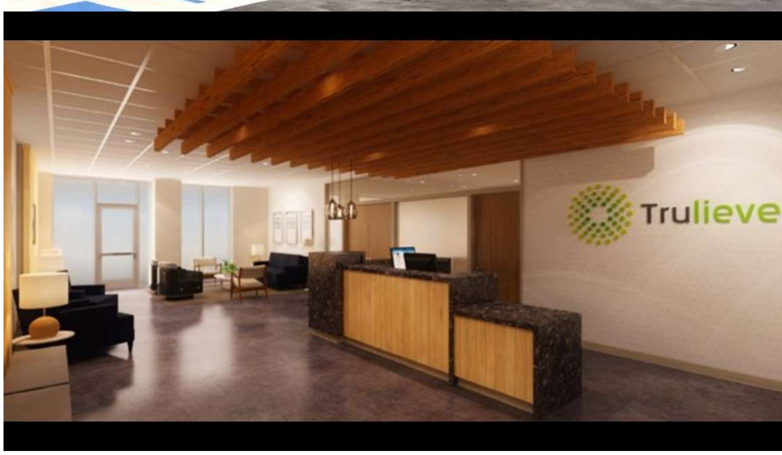
MEASURING SUCCESS

Training must be followed up with measured success protocols. In the Call Center, technology allows us to monitor our service level activity percentage (80%+) to ensure all calls are being answered and serviced in an efficient manner. We calculate patient’s time spent in store to cut down on wait times to maintain a high level of capacity. To assess our success in providing a positive experience we monitor and respond to patient reviews on multiple platforms, receive secret shopper surveys monthly and send out direct patient and Physician satisfaction surveys.

BRANDED STORE EXPERIENCES

The patient experience continues through Trulieve dispensaries with a consistent atmosphere in every store. Brand and development guidelines have been implemented to ensure that each store utilizes the same design, color scheme and layout to provide a comfortable, welcoming environment across each location. Light, bright lobbies are outfitted with comfortable seating in the waiting areas. Each dispensary features a private patient consultation area where private education sessions regarding Trulieve products or general medical cannabis questions can occur. The products are dispensed thru a secure door which opens into open display areas where Trulieve products are displayed and product menu boards list products and pricing. Patient consultants are available to answer questions about the products and pull products for patients for sale. Point of Sale systems tie into the state registry to seamlessly complete transactions. Each store is designed for high throughput. On the highest single sales day to date approximately 3,000 patients were served in 14 open locations. On average, approximately 1,900 patients are served in Trulieve stores daily. In 2019, to date, Trulieve has served 53,545 unique patients both in-store and via home delivery.

Exterior of Trulieve location in Tampa, FL



Trulieve lobby and waiting area

Trulieve private consultation room graphic

Trulieve Dispensary showrooms

MULTIPLE CHANNELS OF DISTRIBUTION

As a medical cannabis provider in Florida, it is important to meet patients where they are whether it be home-bound due to a specific illness, limited in time due to a busy schedule or a new patient who wants to have a personal face to face consultation. To meet patient needs, Trulieve provides patients with several different purchase options. Patients can order products for delivery on-line or by calling our call-center. Our fully-staffed call center fields on average 2,000 calls per day answering patient questions and facilitating patient orders. Trulieve offers next day delivery service in most areas of Florida. In addition to delivery, patients can also place orders for in-store pick-up either online or via the call center. Patients simply select the products they want to purchase and the store receives and processes the order and has it bagged and waiting for the patient when they arrive to pick it up. Finally, patients are able to walk-in to any Trulieve dispensary location and place an order in person. Trulieve has patient consultants available in-stores to answer any questions and to offer in-depth consultations for new or returning patients.

LOYALTY PROGRAM AND COMMUNICATION PLATFORMS

The Truliever program was created as a patient-based loyalty program whereby patients can earn points for dollars spent with a discount at pre-determined point values. Trulievers also are notified first with special discounts or limited release product offerings and also have access to Truliever-only promotions and events. Trulieve communicates with patients and physicians through a variety of methods including email, text, social media and online chat. Trulieve emails have an average of 50% open rate and approximately 70% of Trulieve patients opted-in to the Trulieve texting feature. Trulieve's Facebook page has over 30,000 followers and patients also engage with the Trulieve brand via Instagram and Twitter platforms.

RESEARCH AND DEVELOPMENT

Trulieve's commitment to patients extends to the variety and quality of our products. Trulieve has a dedicated research and development team focused on technology innovations and product development. The R&D team evaluates new technologies and performs rigorous testing prior to recommending introduction into production. The team is charged with product development and works to keep Trulieve products current and relevant in the fast-paced cannabis industry while setting the pace for cutting-edge products.

Trulieve's patient-centric approach has led to a highly loyal and repeat patient base. Trulieve dispenses on average 70% of all milligrams of cannabis dispensed in Florida per the Department of Health. By comparison, the next closest competitor dispenses on average 11% of dispensed cannabis milligrams.

SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected financial data derived from the audited annual consolidated financial statements of the Corporation as at December 31, 2017 and December 31, 2016.

The selected combined financial information set out below may not be indicative of the Corporation's future performance:

	Year Ended December 31	
	2017	**2016**
Total Revenues, net of discounts	$ 19,778,344	$ 161,145
Cost of Goods Sold (including biological assets)	$ 1,356,392	$ 2,807,378
Gross Profit	$ 18,421,952	$ (2,646,233)
Total Expenses	$ 8,505,324	$ 1,470,606
Operating Income (Loss)	$ 9,916,628	$ (4,116,839)
Total Assets	$ 33,869,864	$ 7,417,147
Long-Term Liabilities	$ 15,193,607	$ 5,441,641

Year Ended December 31, 2016 Compared to Year Ended December 31, 2017

Revenue

Revenue for fiscal year ended December 31, 2017 was $19,778,344 which represents an increase of $19,617,199 compared to revenue of $161,145 for the prior fiscal year ended December 31, 2016. The increase in revenue was driven by an increase in several factors: i) the change in allowable conditions, ii) number of eligible patients, and iii) the number of dispensary locations increasing from 2 to 13.

Cost of Goods Sold & Biological Assets

Cost of goods sold are derived from cost related to the internal cultivation and production of cannabis.

Cost of goods sold, excluding any adjustments to the fair value of biological assets, for fiscal year ended December 31, 2017 was $11,094,692 an increase of $8,287,314 or 295% over cost of goods sold, excluding any adjustments to the fair value of biological assets, for fiscal year ended December 31, 2016, driven by the expansion of the retail business in Florida from 2 locations to 13.

Inventory of plants under production is considered a biological asset. Under IFRS, biological assets are to be recorded at fair value at the time of harvest, less costs to sell, which are transferred to inventory and the transfer becomes the deemed cost on a go-forward basis. When the product is sold, the fair value is relieved from inventory and the transfer is booked to cost of sales. In addition, the cost of sales also includes products and costs related to other products acquired from other producers and sold by the Corporation.

Biological asset transformation totaled a net increase in assets of $9,738,300, for fiscal year ended December 31, 2017.

Gross Profit

Gross profit before biological asset adjustments for the fiscal year ended December 31, 2017 was $8,683,652 representing a gross margin on the sale of cannabis, cannabis extractions and other from related accessories of 44%. This is compared to gross loss before biological asset adjustments for the fiscal year ended December 31, 2016 of -$2,646,233.

Gross profit after net gains on biological asset transformation for fiscal year ended December 31, 2017 was $18,421,952 representing a gross margin of 93%, compared with gross loss after net gains on biological asset transformation of $2,646,233 for the fiscal year ended December 31, 2016.

Provision for Income Taxes

Provision for income taxes was $4,718,000 for 2017 compared to ($820,000) for 2016.

Net Operating Loss

Net operating income for fiscal year ended December 31, 2017 was $9,916,628 an increase of $14,033,467 compared to a net operating loss of $4,116,839 for the fiscal year ended December 31, 2016. The increase in net operating profit was driven by the factors described above.

Drivers of our Results of Operations

Revenue

The Corporation derives its revenue from both its retail business in which it manufactures, sells and distributes packaged cannabis products to end consumers in its retail stores and home delivery. For the fiscal year ended December 31, 2017, approximately 85% of revenue was generated from the retail business and 15% from the home delivery business, respectively.

Gross Profit

Gross profit is revenue less cost of goods sold. Cost of goods sold includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower pods, edibles, and concentrates, as well as packaging and other supplies, fees for services and processing, allocated overhead which includes allocations of rent, administrative salaries, utilities, and related costs. Cannabis costs are affected by various state regulations that limits the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes. Gross margin measures our gross profit as a percentage of revenue.

Total Expenses

Total expenses other than the cost of goods sold consist of selling costs to support our customer relationships and to deliver product to our retail stores. It also includes a significant investment in marketing and brand activities and the corporate infrastructure required to support ongoing business.

Selling costs generally correlate to revenue. As a percentage of sales, we expect selling costs to remain relatively flat or reduce a bit based on economies of scale. The increase in $ is expected to be driven primarily by the growth of our Retail Channels and the ramp up.

General and administrative expenses represent costs incurred at our corporate offices, primarily related to personnel costs, including salaries, incentive compensation, benefits, and other professional service costs, including legal and accounting. We expect to continue to invest considerably in this area to support our aggressive expansion plans and to support the increasing complexity of the cannabis business. Furthermore, we expect to continue to incur acquisition and transaction costs related to our expansion plans, and we anticipate a significant increase in stock compensation expenses related to recruiting and hiring talent, accounting, legal and professional fees associated with being a publicly traded company.

Provision for Income Taxes

We are subject to income taxes in the jurisdictions in which we operate and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. As the Corporation operates in the legal cannabis industry, the Corporation is subject to the limits of IRC Section 280E under which the Corporation is only allowed to deduct expenses directly related to cost of sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and a higher effective tax rate than most industries.

Liquidity, Financing Activities During the Period, and Capital Resources

As at December 31, 2017, the Corporation had total current liabilities of $7,554,4033 (December 31, 2016 had $2,035,600) and cash and cash equivalents of $1,407,059 (December 31, 2016 had $136,313) to meet its current obligations.

The Corporation is an early-stage growth company. It is generating cash from sales and is deploying its capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and near term. Capital reserves are being utilized for acquisitions in the medical use cannabis industry, for capital expenditures and improvements in existing facilities, product development and marketing, as well as customer, supplier and investor and industry relations.

Cash Flows

Cash Used in Operating Activities

Net cash used in operating activities was $0.2 million for the year ended December 31, 2017, a decrease of $3.7 million, or 95%, compared to $3.9 million for the year ended December 31, 2016. The improvement in net cash used in operating activities was primarily due to an increase in net income of $7.4 million, a $9.7 million in outflow for biological assets, an increase in deferred tax asset inflow of $4.4 million and $1.6 million in inflow from changes in various assets and liabilities.

Cash Flow from Investing Activities

Net cash used in investing activities was $5.5 million for the year ended December 31, 2017, an increase of $2 million, or 57.0%, compared to $3.5 million for the year ended December 31, 2016. The increase in net cash used in investing activities was primarily due to an increase in purchases of property and equipment to expand into new markets.

Cash Flow from Financing Activities

Net cash provided by financing activities was $7 million for the year ended December 31, 2017, a decrease of $0.1 million, or 1%, compared to $7.1 million for the year ended December 31, 2016.

Contractual Obligations

Contractual Obligations	**Payments Due by Period**				
	Total	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**After 5 years**
Debt	$ 14,690,563	$ 2,359,183	$9,713,693	2,617,687	Nil
Capital Lease Obligations	Nil	Nil	Nil	Nil	Nil
Operating Leases	$ 12,031,495	$ 1,807,207	$ 3,972,308	$ 3,919,658	$ 2,332,322
Purchase Obligations	Nil	Nil	Nil	Nil	Nil
Contractual Obligations	**Payments Due by Period**				
	Total	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**After 5 years**
Total Contractual Obligations	$ 24,927,027	$ 4,166,390	$ 13,686,001	$ 6,537,345	$ 2,332,322

Notes:

1 "Purchase Obligation" means an agreement to purchase goods or services that is enforceable and legally binding on the Corporation that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

2 "Other Long Term Obligations" means other long-term liabilities reflected on the Issuer's balance sheet.

The financial performance and its cash flows for the years ended in December 31, 2017 and 2016 were evaluated in accordance with International Financial Reporting Standards. All future financial documents will be reported under IFRS.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

Transactions with Related Parties

At December 31, 2017 and 2016, amounts due to and from related parties consisted of:

	2017	2016
Leases	$	$ -
Notes Due To Related Parties	$8,730,563	$6,066,960
Total Due from Related Party	$ -	$ -

Proposed Transactions

N/A

Changes in or Adoption of Accounting Practices

There were no new standards effective December 31, 2016 that had an impact on the Corporation's combined financial statements. The following IFRS standards have been recently issued by the IASB. The Corporation is assessing the impact of these new standards on future combined financial statements. Pronouncements that are not applicable or where it has been determined do not have a significant impact to the Corporation have been excluded herein.

IFRS 7, Financial instruments: Disclosure

IFRS 7, Financial instruments: Disclosure was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018.

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, which reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

IFRS 15, Revenue from Contracts with Customers

The IASB replaced IAS 18, *Revenue*, in its entirety with IFRS 15, *Revenue from Contracts with Customers*. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

CRITICAL ACCOUNTING ESTIMATES

The Corporation makes judgements, estimates and assumptions about the future that affect the reported amounts of assets and liabilities, and revenues and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

The preparation of the Corporation's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the combined financial statements are described below.

Estimated Useful Lives and Depreciation of Property and Equipment

Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Estimated Useful Lives and Amortization of Intangible Assets

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Business Combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for one year from the acquisition date.

Goodwill Impairment

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill.

Deferred Tax Asset and Valuation Allowance

Deferred tax assets, including those arising from tax loss carry-forwards, requires management to assess the likelihood that the Corporation will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Corporation to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Corporation to realize the net deferred tax assets recorded at the reporting date could be impacted.

Financial Instruments and Financial Risk Management

The Corporation's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities; short-term note payable; and long-term debt. The carrying values of these financial instruments approximate their fair values. Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1:	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3:	Inputs for the asset or liability that are not based on observable market data.

Financial Risk Management

The Corporation is exposed in varying degrees to a variety of financial instrument related risks. The board of directors of the Corporation mitigates these risks by assessing, monitoring and approving the Corporation's risk management processes:

Credit Risk

Credit risk is the risk of a potential loss to the Corporation if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure is the carrying amount of cash and cash equivalents. The Corporation does not have significant credit risk with respect to customers. All cash and cash equivalents are placed with major U.S. financial institutions.

The Corporation provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk but has limited risk as the majority of sales are transacted with cash.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations associated with financial liabilities. The Corporation manages liquidity risk through the management of its capital structure. The Corporation's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

Market Risk

Currency Risk

The operating results and financial position of the Corporation are reported in U.S. dollars. Some of the Corporation's financial transactions are denominated in currencies other than the U.S. dollar. The results of the Corporation's operations are subject to currency transaction and translation risks.

The Corporation has no hedging agreements in place with respect to foreign exchange rates. The Corporation has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash and cash equivalents bear interest at market rates. The Corporation's financial debts have fixed rates of interest and therefore expose the Corporation to a limited interest rate fair value risk.

Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices.

INTERIM MD&A TRULIEVE, INC.

*This management discussion and analysis ("**MD&A**") of the financial condition and results of operations of Trulieve, Inc. ("**Trulieve"** or, the "**Corporation**") is for the three and six month periods ended June 30, 2018. It is supplemental to, and should be read in conjunction with, the Corporation's unaudited consolidated financial statements for the three and six months ending June 30, 2018. The Corporation's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Financial information presented in this MD&A is presented in United States dollars ("**$**" or "**US$**"), unless otherwise indicated.*

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable United States securities laws and Canadian securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading "Cautionary Note Regarding Forward-Looking Information", located at the beginning of this Listing Statement. As a result of many factors, the Corporation's actual results may differ materially from those anticipated in these forward-looking statements and information.

All references to "$" are to United States dollars unless otherwise specified.

OVERVIEW OF THE COMPANY

<u>Business of Trulieve</u>

General Business of the Resulting Issuer

The below description of Trulieve will become the Resulting Issuer's Business.

Trulieve is the first fully licensed medical cannabis company in Florida and the first company to reach scale. Trulieve has capitalized on its first mover advantage by capturing approximately 70% average market share as reported by the Department of Health in milligrams dispensed since January 1, 2018. Trulieve has 16 of the 51 open dispensary locations throughout the state and also services patients via home delivery service. Since opening, Trulieve has served over 83,000 unique patients.

As a vertically integrated company with a patient-first mantra, Trulieve has developed a suite of Trulieve branded products with over 80 skus including flower pods for vaporizing, concentrates, topicals, capsules, tinctures, and vape cartridges. Trulieve branded products are distributed across the Trulieve store platform as well as via home delivery.

Headquartered in Quincy, Florida Trulieve is focused on being the brand leader for quality medical cannabis products and service in Florida and beyond. Trulieve employs over 900 people and is committed to providing patients a consistent and welcoming retail experience across Trulieve branded stores. The ability to quickly scale and penetrate in all necessary business segments (cultivation, production, sales and distribution) gives Trulieve the unique ability to secure and maintain the position of market leader in Florida and to inject those expertise effectively into other regulated market opportunities.

SUMMARY OF OPERATING BUSINESS

Trulieve is a vertically-integrated company in a highly-regulated market with cultivation, processing, and distribution activities. Trulieve has developed proficiencies in each of these functions and is committed to utilizing predictive analytics which inform Trulieve in the areas of sales trends, patient demographics, new product launch criteria and capacity requirements and create the foundation upon which Trulieve has built sustainable, profitable growth.

Ownership of the entire supply chain mitigates potential third-party risks and allows Trulieve to completely control the quality of the product and the brand experience resulting in high patient retention and repeat customers. Trulieve successfully operates at scale the core business functions of cultivation, production and distribution. The Trulieve brand philosophy of patients first permeates the Trulieve culture from the cultivation and production operations to the call center and into the stores.

Data Utilization to create Predictive Analytics

Trulieve collects and analyzes data throughout the entire seed to sale process of the enterprise. All strategic and tactical business decisions are driven by historical data coupled with predictive analytics to ensure the best possible solution is formulated and executed. Data collection systems are cloud based and backed up to ensure the utmost security and integrity of data repositories.

In our cultivation activities, Trulieve uses data analytics to record, monitor, communicate and optimize the yield potential of each harvest by strain. Daily logs are recorded on the cloud database and capture such metrics as nutrient application, temperature, humidity, CO2 levels, light intensity, light duration, grow medium pH, grow medium Electro-Conductivity (EC) at various locations within each growing room. Trulieve considers these data sets as the harvest vitals that are continuously monitored to ensure peak performance of each strain maintained. At harvest, the cultivation log is paired with the room’s daily log and analyzed against previous harvests of the same strain.

All strain weights and potencies are recorded by batch and stored in the database. Trulieve uses this data to predict future yields and planning of future crop rotations to meet patient demands. The predictive analysis ensures Trulieve operates in an efficient manner to maximize the harvest output to cost ratio.

Trulieve also uses data analytics throughout the entire manufacturing process to monitor progress real-time, ensure quality is maintained at the highest level and analyzed to maximize lean flow efficiency. Consistency is paramount to Trulieve and tracking of the recorded data guarantees uniformity for all products shipped.

Once products are in the stores, each sales transaction is collected with patient demographics and product selection. The reports from the recorded information allows Trulieve to track and analyze by retail location sales trends, grams dispensed, products sold by subcategory, patient demographics and purchasing habits. Trulieve uses this data for regression and predictive analysis, for cultivation crop planning, final derivative product production planning, and patient marketing. The data is also key in planning future cultivation, processing and retail expansion projects through the analysis of sales trends, and patient purchasing habits coupled with other outside data collection activities.

High-Yield Cultivation Facilities and Techniques

Trulieve transforms raw cannabis flower into the Trulieve portfolio of products sold in Trulieve stores. With a focus on scalable operations, Trulieve has detailed Standard Operating Procedures as well as robust training protocols across its cultivation facilities to grow a consistent, quality product.

Trulieve has quickly scaled and currently operates 468,000 square feet of cultivation facilities across 3 sites. Per Florida law, Trulieve grows in enclosed structures operating both indoor and greenhouse style grows. Trulieve currently has the ability to grow 17,199 kg of cannabis annually. Trulieve has an additional 95,420 square feet of cultivation capacity under construction which will be completed by year end 2018. Upon completion, Trulieve will have an additional 9,804 kg per year of capacity for a total cultivation capacity of 27,005 kg per year. In addition, Trulieve is working to rapidly and substantially increase its greenhouse capacity. The ability to quickly execute and operate high-yield, scaled cultivation operations is critical in Florida as well as other vertical markets. Trulieve grows a variety of 45 cannabis flower strains and is poised for expansion if the state allows flower products for smoking. Continuing the Trulieve philosophy of standing behind the products we sell, Trulieve utilizes a third-party company to certify the genetic composition of each strain and provides the reports to patients and physicians.

Scaled, Quality Production

As a vertically-integrated company Trulieve produces 100% of all products sold in Trulieve stores. Currently, Trulieve extracts 30,000 mg of active THC or CBD per week (depending on the product requirements) and manufactures on average 45,000 products for sale each week. Trulieve has successfully obtained Good Manufacturing Practices (“GMP”) certification for its production facilities and has detailed Standard Operating Procedures and Quality Control measures in place to ensure quality products are delivered to Trulieve’s patients.

Trulieve primarily utilizes super critical ethanol extraction systems and techniques for the majority of its products. Trulieve recently installed a carbon dioxide system and will be launching new products utilizing this technology over the next 120 days. Trulieve has purchased and is renovating a 55,000 square foot building to relocate its production and shipping activities as well as to house a state of the art kitchen and hydrocarbon extraction facility in anticipation of edibles and hydrocarbon products being allowable by state regulators. It is anticipated this building will be complete in 2018.

Currently Trulieve manufactures, assembles, packages and ships products in a variety of market segments with over 80 stock keeping units “SKUs”. These product segments are as follows:

- Inhalation – 250mg and 600 mg vape cartridges; Trulieve engineered flower containers for vaporization
- Oral – 10 mg and 50 mg capsules
- Sublingual – 500 mg CBD and 1:1 ratio tinctures
- Topical – 250 mg Lotion with Sunscreen and Muscle Rub products in development
- Internasal – licensed internasal spray product
- Concentrates – 800 mg TruPods and 850 mg TruClear and TruShatter concentrate products

Quality is paramount to Trulieve and its patients. Trulieve has a robust quality control department with dedicated quality trained specialists to perform in-line and end product inspections. All quality issues are reported, logged and investigated to inform process improvements. In addition, Trulieve has on-site testing capabilities via its state of the art laboratory. Trulieve tests all final batches of products to ensure compliance with state and internal quality standards. Trulieve also utilizes an independent third-party lab to test every batch of products. Although not a state requirement, Trulieve’s goal is to ensure a safe product and transparency with patients regarding Trulieve products. Trulieve has third party testing completed for the following items: potency, terpene profile, pesticides, microbials, mycotoxins, heavy metals and residual solvents. These reports are available on the Trulieve website for patients or physicians to access. With a product return rate of less than 2% Trulieve has worked to achieve high patient satisfaction with Trulieve products.

Marketing and Community Outreach

Trulieve’s marketing strategies center around education and outreach to three main customer categories: Physicians, patients and potential patients.

Physicians are a critical component in our success and we provide industry leading education, outreach and support to all registered Florida medical cannabis Physicians. Our educational materials are designed to help Physicians understand the science behind cannabis, how our plants are cultivated with the highest standards and products are created to provide relief to their patients. We create educational tools in both print and digital form to allow for quick implementation of new information and ease of access to busy physicians. Trulieve’s dedicated Physician education team delivers in-person outreach on a consistent basis as well as immediate phone support through a Physician education team member in our call center.

Patients learn about Trulieve through the success of our Physician education program as well as many patient-centric community activities. We participate in dozens of patient outreach and community events on a monthly basis. An engaged patient audience is captured through our digital content marketing which includes email, website, app, social media and mainstream industry websites.

Potential patients are not forgotten through our marketing strategies. Trulieve also attends many events focused on educating non-patients who may benefit such as veterans, seniors, condition specific organizations and general health and wellness events. The media is a great asset to our marketing plan and have helped us organically teach the state of Florida about Trulieve. We utilize press releases to cover important information and reach a large audience. Search engine optimization of our website also captures potential patients in the research phase of their journey. Our easy to use “Find a Doctor” tool and question and answer section of our website helps patients find the process of becoming a patient achievable.

Patient Focused Experiences

It is Trulieve’s goal to create raving fans who are loyal to the Trulieve brand and in return to provide these patients a superior level of customer service and product selection. Trulieve accomplishes this goal thru several key strategies:

1. Training our employees to focus on the patient experience and deliver exceptional service
2. Measurement of customer service success
3. Creating positive patient experiences through the consistent design of Trulieve dispensaries
4. Giving patient multiple methods by which to order products that is the most convenient for their circumstances including home delivery
5. Successful creation and execution of the Trulievers loyalty program with high adoption and engagement with patients via various channels
6. Continuous product innovation thru research and development activities

TRAINING

The Trulieve patient experience is an area of high-focus for the Company. Trulieve employs a number of training protocols and systems to ensure that the patient experience is a positive one across all Trulieve branded locations and with each interaction with a Trulieve employee. Trulieve utilizes technology with online based training modules to effectively communicate updates to any company policy as well as regulatory changes and new product launches so every employee receives a consistent message and effective messaging can occur simultaneously throughout the company. With a robust and consistently updated catalogue of training modules, newly hired employees are assigned a training platform based on the employee’s position. Managers track completion and competency within the system and also have the ability to re-assign modules or require additional training in areas needed. In addition to online training, managers employ on-the-job training sessions with employees centered around relevant topics determined by managers and regional managers weekly.

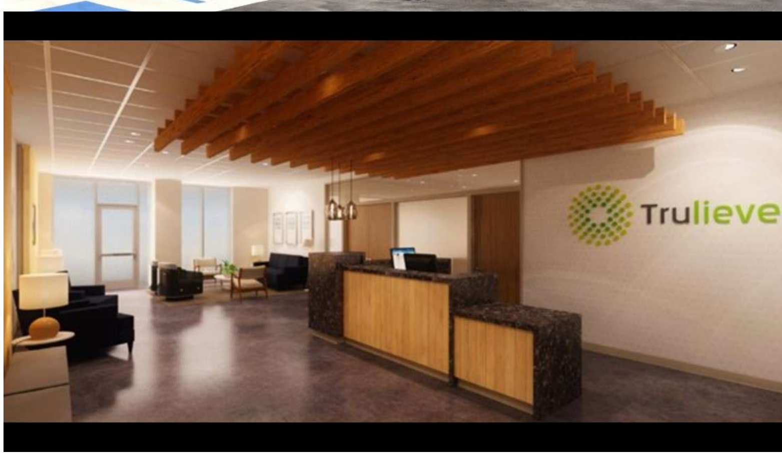
MEASURING SUCCESS

Training must be followed up with measured success protocols. In the Call Center, technology allows us to monitor our service level activity percentage (80%+) to ensure all calls are being answered and serviced in an efficient manner. We calculate patient’s time spent in store to cut down on wait times to maintain a high level of capacity. To assess our success in providing a positive experience we monitor and respond to patient reviews on multiple platforms, receive secret shopper surveys monthly and send out direct patient and Physician satisfaction surveys.

BRANDED STORE EXPERIENCES

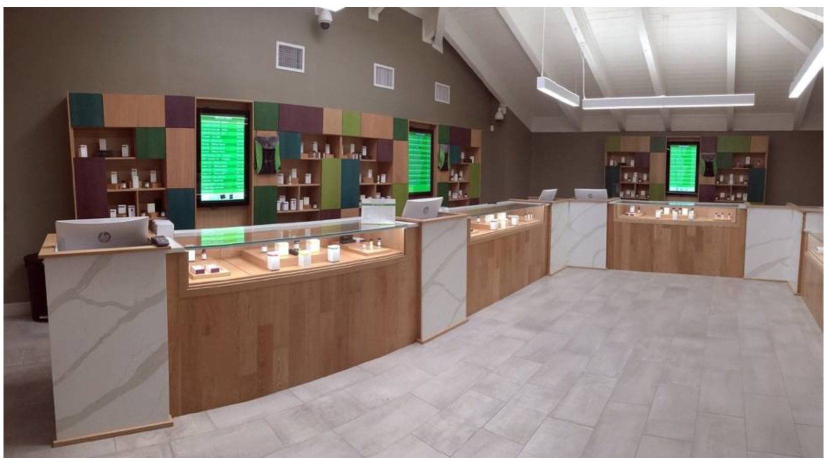
The patient experience continues through Trulieve dispensaries with a consistent atmosphere in every store. Brand and development guidelines have been implemented to ensure that each store utilizes the same design, color scheme and layout to provide a comfortable, welcoming environment across each location. Light, bright lobbies are outfitted with comfortable seating in the waiting areas. Each dispensary features a private patient consultation area where private education sessions regarding Trulieve products or general medical cannabis questions can occur. The products are dispensed thru a secure door which opens into open display areas where Trulieve products are displayed and product menu boards list products and pricing. Patient consultants are available to answer questions about the products and pull products for patients for sale. Point of Sale systems tie into the state registry to seamlessly complete transactions. Each store is designed for high throughput. On the highest single sales day to date approximately 3,000 patients were served in 14 open locations. On average, approximately 1,900 patients are served in Trulieve stores daily. In 2018, to date, Trulieve has served 53,545 unique patients both in-store and via home delivery.

Exterior of Trulieve location in Tampa, FL



Trulieve lobby and waiting area

Trulieve private consultation room graphic



Trulieve Dispensary showrooms

MULTIPLE CHANNELS OF DISTRIBUTION

As a medical cannabis provider in Florida, it is important to meet patients where they are whether it be home-bound due to a specific illness, limited in time due to a busy schedule or a new patient who wants to have a personal face to face consultation. To meet patient needs, Trulieve provides patients with several different purchase options. Patients can order products for delivery on-line or by calling our call-center. Our fully-staffed call center fields on average 2,000 calls per day answering patient questions and facilitating patient orders. Trulieve offers next day delivery service in most areas of Florida. In addition to delivery, patients can also place orders for in-store pick-up either online or via the call center. Patients simply select the products they want to purchase and the store receives and processes the order and has it bagged and waiting for the patient when they arrive to pick it up. Finally, patients are able to walk-in to any Trulieve dispensary location and place an order in person. Trulieve has patient consultants available in-stores to answer any questions and to offer in-depth consultations for new or returning patients.

LOYALTY PROGRAM AND COMMUNICATION PLATFORMS

The Truliever program was created as a patient-based loyalty program whereby patients can earn points for dollars spent with a discount at pre-determined point values. Trulievers also are notified first with special discounts or limited release product offerings and also have access to Truliever-only promotions and events. Trulieve communicates with patients and physicians through a variety of methods including email, text, social media and online chat. Trulieve emails have an average of 50% open rate and greater than 65% of Trulieve patients opted-in to the Trulieve texting feature. Trulieve's Facebook page has over 20,000 followers and patients also engage with the Trulieve brand via Instagram and Twitter platforms.

RESEARCH AND DEVELOPMENT

Trulieve's commitment to patients extends to the variety and quality of our products. Trulieve has a dedicated research and development team focused on technology innovations and product development. The R&D team evaluates new technologies and performs rigorous testing prior to recommending introduction into production. The team is charged with product development and works to keep Trulieve products current and relevant in the fast-paced cannabis industry while setting the pace for cutting-edge products.

Trulieve's patient-centric approach has led to a highly loyal and repeat patient base. Trulieve dispenses on average 70% of all milligrams of cannabis dispensed in Florida per the Department of Health. By comparison, the next closest competitor dispenses on average 11% of dispensed cannabis milligrams.

SELECTED FINANCIAL INFORMATION

The following is selected financial data derived from the unaudited consolidated financial statements of Trulieve for the three and six months ending June 30, 2018 and June 30, 2017.

The selected combined financial information set out below may not be indicative of Trulieve's future performance:

	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Total Revenues, net of Discounts	$ 23,298,771	$ 2,226,085	$ 38,545,570	$ 3,162,822
Cost of Goods Sold (including biological assets)	$3,016,502	$ (5,264,186)	$ 2,481,942	$ (4,361,579)
Gross Profit	$ 20,282,269	$ 7,490,271	$ 36,063,628	$ 7,524,401
Total Expenses	$ 6,215,499	$ 388,862	$ 11,050,123	$ 2,043,568
Operating Income (Loss)	$ 14,066,770	$ 7,101,409	$ 25,013,505	$ 5,480,833

Three Months Ended June 30, 2018

Revenue

Revenue for the three months ended June 30, 2018 was $23,298,771, up 947% from $2,226,085 for the three months ended June 30, 2017 due to increase in retail sales. The state registry which approves and maintains the status of our customer base reached approximately 100,000 active patients during the second quarter. Trulieve's statewide retail and home delivery presence along with its over 80 sku's were the main reasons for its continued market growth.

Revenue for the six months ended June 30, 2018 was $38,545,570, up 1,119% from $3,162,822 for the six months ended June 30, 2017 due to increase in retail sales.

Cost of Goods Sold & Biological Assets

Cost of goods sold are derived from cost related to the internal cultivation and production of cannabis.

Cost of goods sold, excluding any adjustments to the fair value of biological assets, for the three months ended June 30, 2018 was $6,037,135, up $5,710,144 or 487% compared to the three months ended June 30, 2017, driven by continued market growth as stated above. Cost of goods sold as a percentage was 26% for the three months ended June 30, 2018 as compared to 46% for the three months ended June 30, 2017.

For the six months ended June 30, 2018, the cost of goods sold increased from $1,930,778 to $10,714,575, an increase of $8,783,797 or 455%. This increase is caused by higher volume of production in 2018. Cost of goods sold as a percentage of revenue was 28% in the six months ended 2018 compared to 61% in prior same period. The reason for such a big decline is that there is a significant amount of fixed cost in cost of goods sold which when spread over larger revenue base provided a better cost of goods sold %. The same is true for the 3 months ended June 30, 2018.

Inventory of plants under production is considered a biological asset. Under IFRS, biological assets are to be recorded at fair value at the time of harvest, less costs to sell, which are transferred to inventory and the transfer becomes the deemed cost on a go-forward basis.

When the product is sold, the fair value is relieved from inventory and the transfer is booked to cost of sales. In addition, the cost of sales also includes products and costs related to other products acquired from other producers and sold by the Corporation.

Gross Profit

Gross profit after net gains on biological asset transformation for the three months ended June 30, 2018 was $20,282,269, representing a gross profit of 87% compared with gross profit after net gains on biological asset transformation of $7,490,271 or 336% gross profit, for the three months ended June 30, 2017, driven by increased gain on biological assets.

Gross profit after net gains on biological asset transformation for the six months ended June 30, 2018 was $36,063,628 representing a gross margin of 94%, compared with gross profit after net gains on biological asset transformation of $7,524,401 or 238% gross margin, for the six months ended June 30, 2017, driven by increased gain on biological assets.

Total Expenses

Total expenses for the three months ended June 30, 2018 were $6,215,499, an increase of $5,826,637 compared to the three months ended June 30, 2017, which represents 1,498% increase mainly due to scaling of company's business.

Increase in total expenses was attributable to an increase in general and administrative expenses of $919,693 an increase of 422%. Sales and Marketing expenses increased to $4,893,419 for the three months ended June 2018 compared to $111,593 for three months of June 2017, an increase of 4,285%. These increases are due to substantial growth in business.

Total expenses for the six months ended June 30, 2018 were $11,050,123, an increase of $9,006,555 compared to the six months ended June 30, 2017, which represents 441% increase mainly due to scaling of company's business.

Increase in total expenses was attributable to an increase in general and administrative expenses of $1,594,381, an increase of 634%. Sales and Marketing expenses increased to $8,857,130 in the six months ended June 30, 2018 compared to $1,733,009 for the six months ended June 2017, an increase of 411%. These increases are due to substantial growth in business.

Provision for Income Taxes

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the three months ended June 30, 2018, provisions for Federal and State income tax totaled $5,402,1970, compared to a provision of $1,667,475 for income taxes for the the three months ended June 30, 2017.

For the six months ended June 30, 2018 income tax provision was $9,164,197 compared to provision for income taxes for the six months ended June 30, 2017 of $1,667,475.

Net Operating Profit

Net operating profit for the three months ended June 30, 2018 was $7,882,721, an increase of $2,580,4024 over the three months ended June 30, 2017. The increase in net operating income was driven by the factors described above, namely business expansion.

Net operating profit for the six months ended June 30, 2018 was $14,746,427, an increase of $11,974,072 over the six months ended June 30, 2017. The increase in net operating income was driven by the factors described above, namely business expansion.

Drivers of our Results of Operations

Revenue

The Corporation derives its revenue from cannabis products which it manufactures, sells and distributes to its customers by home delivery and in its retail stores.

Gross Profit

Gross profit is revenue less cost of goods sold. Cost of goods sold includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower, and concentrates, as well as packaging and other supplies, fees for services and processing, allocated overhead which includes allocations of rent, administrative salaries, utilities, and related costs. Cannabis costs are affected by various state regulations that limits the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes. Gross margin measures our gross profit as a percentage of revenue.

Over the three months ended June 30, 2018, the Corporation continued to be focused on executing sustainable profitable growth of the Corporation's base business while investigating expansion. Trulieve continues to expand within Florida with an additional 11 locations opening in 2018.

Total Expenses

Total expenses other than the cost of goods sold consist of selling costs to support our customer relationships and to deliver product to our retail stores. It also includes a significant investment in marketing and brand activities and the corporate infrastructure required to support ongoing business.

Selling costs generally correlate to revenue. As a percentage of sales, we expect selling costs to remain relatively flat in our currently operational market.

General and administrative expenses represent costs incurred at our corporate offices, primarily related to personnel costs, including salaries, incentive compensation, benefits, and other professional service costs, including legal and accounting. We expect to continue to invest considerably in this area to support our aggressive expansion plans and to support the increasing complexity of the cannabis business. Furthermore, we expect to continue to incur acquisition and transaction costs related to our expansion plans, and we anticipate a significant increase in compensation expenses related to recruiting and hiring talent, accounting, legal and professional fees associated with being a publicly traded company.

Provision for Income Taxes

We are subject to income taxes in the jurisdictions in which we operate and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. As the Corporation operates in the legal cannabis industry, the Corporation is subject to the limits of IRC Section 280E under which the Corporation is only allowed to deduct expenses directly related to cost of sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and a higher effective tax rate than most industries.

Liquidity, Financing Activities During the Period, and Capital Resources

As at June 30,, 2018, the Corporation had total current liabilities of $14,177,818 and cash and cash equivalents of $8,866,618 (December 31, 2017 had current liabilities of $7,554,403 and cash equivalents of $1,407,059 to meet its current obligations). As at June 30, 2018, the Corporation had working capital of $19,501,444, up $13,473,708 or 224% compared to December 31, 2017.

The Corporation is an early-stage growth company. It is generating cash from sales and is deploying its capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and near term. Capital reserves are being utilized for acquisitions in the medical and adult use cannabis markets, for capital expenditures and improvements in existing facilities, product development and marketing, as well as customer, supplier and investor and industry relations.

Cash Flows

Cash Used in Operating Activities

Net cash generated from operating activities was $8.2 million for the three months ended June 30, 2018, an increase of $10.1 million compared to the three months ended June 30, 2017. The increase in net cash generated from operating activities was primarily due to an increase in net income of $12 million, income tax payable and deferred tax and income tax payable of of $5.3 million offset by a decrease in biological asset of $1.9. million, inventory of $1.1 million, deposits of $1 million and various other items of $3.2 million.

Cash Flow from Investing Activities

Net cash used in investing activities was $16.3 million for the three months ended June 30, 2018, an increase of $13.8 million, compared to $2.5 million for the three months ended June 30, 2017.

Cash Flow from Financing Activities

Net cash provided by financing activities was $15.2 million for the three months ended June 30, 2018, an increase of $10.93 million compared to $4.3 million for the three months ended June 30, 2017. The increase in net cash provided by financing activities was primarily due to an increase in notes payable of $12.5 million offset by an equity raise of $1.6 million in the prior year same quarter.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

Transactions with Related Parties

At June 30, 2018 and December 2017, amounts due from related parties consisted of:

	2018	2017
Notes Due To Related Parties	$20,338,741	$ 8,730,563

Proposed Transactions

N/A

Changes in or Adoption of Accounting Practices

There were no new standards effective December 31, 2016 that had an impact on the Corporation's combined financial statements. The following IFRS standards have been recently issued by the IASB. The Corporation is assessing the impact of these new standards on future combined financial statements. Pronouncements that are not applicable or where it has been determined do not have a significant impact to the Corporation have been excluded herein.

IFRS 7, Financial instruments: Disclosure

IFRS 7, Financial instruments: Disclosure was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018.

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, which reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

IFRS 15, Revenue from Contracts with Customers

The IASB replaced IAS 18, *Revenue*, in its entirety with IFRS 15, *Revenue from Contracts with Customers*. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

CRITICAL ACCOUNTING ESTIMATES

The Corporation makes judgements, estimates and assumptions about the future that affect the reported amounts of assets and liabilities, and revenues and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

The preparation of the Corporation's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the combined financial statements are described below.

Estimated Useful Lives and Depreciation of Property and Equipment

Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of assets.

Estimated Useful Lives and Amortization of Intangible Assets

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Business Combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for one year from the acquisition date.

Goodwill Impairment

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill.

Deferred Tax Asset and Valuation Allowance

Deferred tax assets, including those arising from tax loss carry-forwards, requires management to assess the likelihood that the Corporation will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Corporation to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Corporation to realize the net deferred tax assets recorded at the reporting date could be impacted.

Financial Instruments and Financial Risk Management

The Corporation's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities; short-term note payable; and long-term debt. The carrying values of these financial instruments approximate their fair values. Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1:	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3:	Inputs for the asset or liability that are not based on observable market data.

Financial Risk Management

The Corporation is exposed in varying degrees to a variety of financial instrument related risks. The board of directors of the Corporation mitigates these risks by assessing, monitoring and approving the Corporation's risk management processes:

Credit Risk

Credit risk is the risk of a potential loss to the Corporation if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure is the carrying amount of cash and cash equivalents. The Corporation does not have significant credit risk with respect to customers. All cash and cash equivalents are placed with major U.S. financial institutions.

The Corporation provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk but has limited risk as the majority of sales are transacted with cash.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations associated with financial liabilities. The Corporation manages liquidity risk through the management of its capital structure. The Corporation's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

Market Risk

Currency Risk

The operating results and financial position of the Corporation are reported in U.S. dollars. Some of the Corporation's financial transactions are denominated in currencies other than the U.S. dollar. The results of the Corporation's operations are subject to currency transaction and translation risks.

The Corporation has no hedging agreements in place with respect to foreign exchange rates. The Corporation has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash and cash equivalents bear interest at market rates. The Corporation's financial debts have fixed rates of interest and therefore expose the Corporation to a limited interest rate fair value risk.

Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices

EXPLORATION SCHYAN EXPLORATION INC.

Management's Discussion and Analysis of Financial Condition and Results of Operation

For the three and six months ended June 30, 2018

This management discussion and analysis ("MD&A") is prepared as at August 27, 2018 and should be read in conjunction with the June 30, 2018 and 2017 unaudited interim condensed financial statements and related notes to the unaudited interim condensed financial statements and the audited financial statements for the years ended December 31, 2017 and 2016 of Schyan Exploration Inc. / Exploration Schyan Inc. ("Schyan" or the "Company"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements.

Cautionary Note Regarding Forward-Looking Statements
This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates. The uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Schyan to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Schyan to fund the capital and operating expenses necessary to achieve the business objectives of Schyan, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Schyan. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Schyan should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

OVERVIEW

Schyan Exploration Inc. / Exploration Schyan Inc. (the "Company") was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company's registered and head office is located at 370 Steeles Avenue West, Suite 203, Thornhill, Ontario, L4J 6X1.

The Company's goal is to acquire and explore mineral properties in Canada.

The Company does not hold any interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These include commodity prices, availability of capital, exploration risks, regulatory risks, environmental risks, competition, dependence on key personnel, potential risks relating to mineral titles and aboriginal land claims, currency risk and potential amendments to tax laws.

Overall Performance

For six months ended June 30, 2018 the Company's cash and cash equivalent position decreased by $13,078 to $13,225 from $26,303 as at December 31, 2017.

For the six months ended June 30, 2018, the Company's exploration expenditures remained unchanged (2017 – increased by $25) to a cumulative total of $325,972. Exploration expenditures have been curtailed until the Company is able to raise funds.

Trends

There are no trends, commitments, events or uncertainties presently known or identifiable to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations. The nature of the Company's business is demanding of capital for property acquisition costs, exploration commitments and holding costs. The Company intends to utilize cash on hand to meet these obligations and will continue to try to raise funds by equity financings as necessary to augment its cash position, as it does not have any operating cash flow.

Review of Operations

Six Month Period Ended June 30, 2018 and 2017

The Company had net loss of $105,024 or $0.03 a share for the six month period ended June 30, 2018, compared to a net loss of $13,422 or $0.00 a share for the same period in 2017.

Legal and audit fees were $48,643 for the six months ended June 30, 2018, as compared to $8,294 for the six months ended June 30, 2017. The increase is due to additional fees incurred relating to the potential transaction.

Shareholder information expenses for the six months ended June 30, 2018 were $4,815 as compared to $4,582 for the comparable period. The increase is related fees to higher transfer agent fees.

General and administrative expenses for the six months ended June 30, 2018 were $5,852 as compared to $6,610 for the comparable period. The decrease is due to lower general office expenses in the current period.

Investor relations and travel expenses for the six months ended June 30, 2018 were $5,964 as compared to $4,911 for the comparable period. There were less trips made by the management in the previous period compared to the current period.

There was a decrease of ($39,750) in the fair value of the short term investment, as compared to an increase of $11,000 for the comparable period.

For the six months ended June 30, 2018, the Company's exploration expenditures remained unchanged (2017 – increased by $25) to a cumulative total of $325,972. Exploration expenditures have been curtailed until the Company is able to raise funds.

Three Month Period Ended June 30, 2018 and 2017
The Company had net loss of $65,267 or $0.02 a share for the three month period ended June 30, 2018, compared to a net loss of $14,813 or $0.00 a share for the same period ended June 30, 2017.

Legal and audit fees were $46,643 for the three months ended June 30, 2018, as compared to $5,225 for the three months ended June 30, 2017. The increase is due to additional fees incurred relating to the potential transaction.

Shareholder information expenses for the three months ended June 30, 2018 were $2,818 as compared to $3,066 for the comparable period. The decrease is the trade shows the Company participated in in 2017.

General and administrative expenses for the three months ended June 30, 2018 were $1,556 as compared to $3,454 for the comparable period. The decrease is due to lower general office expenses in the current period.

Investor relations and travel expenses for the three months ended June 30, 2018 were $nil as compared to $3,298 for the comparable period.

There was a decrease of ($14,250) in the fair value of the short term investment, as compared to an increase of $250 for the comparable period.

For the three months ended June 30, 2018, the Company's exploration expenditures remained unchanged (2017 – nil) to a cumulative total of $325,972. Exploration expenditures have been curtailed until the Company is able to raise funds.

Exploration Activities and Outlook

Casino Property
The Casino property is made up of one block of 39 claims at June 30, 2018, totaling 1,665 ha. It is located in Cadillac Township and lies 8 km NE of the town of Cadillac, Quebec.

A two-hole diamond drill program was completed on the property between September 5th and November 22nd, 2016. The best results were from Hole C-16-01 which returned 18.2 g/t Ag over1.5 m within a mixed wacke and argillite sediment.

The two diamond drill holes completed in 2016 on the Casino Property intersected near distal horizons in a Volcanic Massive Sulphide environment lateral to any economic mineralized areas.

The Company recommends that future work on the property should be targeted at the electromagnetic conductors along strike to the east under Lac Cadillac.

Selected Financial Information

The information below should be read in conjunction with the management's discussion and analysis, the financial statements and related notes and other financial information for the appropriate periods referred to below. The following is for the years ended:

	Year ended December 31, 2017	**Year ended December 31, 2016**	**Year ended December 31, 2015**
	$	$	$
Total revenue	-	-	366
Net Income (Loss)	(45,713)	(9,846)	37,193
Loss per share	(0.01)	(0.002)	0.01
Total assets	112,382	139,386	129,159

Results for the three months ended:

	June 2018	March 2018	December 2017	September 2017
	$	$	$	$
Net loss	(65,267)	(39,757)	(15,627)	(16,664)
Loss per share	0.02	0.01	(0.00)	(0.00)

	June 2017	March 2017	December 2016	September 2016
	$	$	$	$
Net income (loss)	(14,813)	1,391	(60,274)	(41,389)
Earnings (loss) per share	(0.00)	0.00	(0.015)	(0.01)

Liquidity and Capital Resources
The Company has no production or significant other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

Related Party Transactions

	June 30, 2018	December 31, 2017
Balance, beginning of year/period	$ 319,618	$ 306,406
Transactions in the year/period:		
Related party reimbursements payable	9,415	13,212
Balance, end of year/period	$ 329,033	$ 319,618

The balances due to related parties are owing to directors and officers of the Company and are unsecured, non-interest bearing and due on demand.

As at June 30, 2018, the trade and other payables balance includes related party amounts of $nil (December 31, 2017 - $5,370). The related parties are directors of the Company. The amounts are for services rendered during previous periods and arose as a result of transactions entered into with the related parties in the ordinary course of business.

Recent Events
The Company is focused on exploring and developing its base metals and gold properties located in the Township of Cadillac, county of Abitibi, in the Province of Quebec.

ADDITIONAL DISCLOSURE FOR REPORTING ISSUERS WITHOUT SIGNIFICANT REVENUE

	June 30, 2018	June 30, 2017
Exploration and evaluation expenditures	$ -	$ 25
Corporate expenses	65,274	24,397
Total assets	57,367	140,468

Exploration and evaluation expenditures	Six Months Ended June 30, 2018 Expensed	Six Months Ended June 30, 2017 Expensed
Property acquisition costs	$ -	$ 25
	$ -	$ 25

Corporate Expenses	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Professional fees	$ 48,643	$ 8,294
General and administrative	5,852	6,610
Shareholder information	4,815	4,582
Investor relations and travel	5,964	4,911
Corporate Expenses	$ 65,274	$ 24,397

Outstanding share data	June 30, 2018	June 30, 2017
Issued and outstanding common shares	3,961,372	3,961,372
Outstanding options to purchase common shares	-	-
Fully-diluted	3,961,372	3,961,372

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Subsequent Events
On July 10, 2018, the Company announced that it settled an aggregate of $410,759 of indebtedness owed to certain arms-length creditors through the issuance of an aggregate of 10,268,987 common shares (“Common Shares”) of the Company a price of $0.04 per Common Share (the “Debt Settlement”). All Common Shares issued in connection with the Debt Settlement are subject to a statutory old period of four month plus a day from the date of issuance in accordance with applicable securities legislation.

On July 18, 2018, the Company announced that it entered into a non-binding letter agreement (“Letter Agreement”) with George Hackney, Inc. d.b.a. Trulieve (“Trulieve”) whereby the Company and Trulieve have agreed to merge their respective businesses resulting in a reverse takeover of the Company by Truelieve and change the business of the Company from a mining issuer to a marijuana issuer (the “Transaction”). Concurrently with the closing on the Transaction, the resulting issuer will apply to have its shares listed on the Canadian Securities Exchange (“CSE”). The transaction is subject to the execution of a definitive agreement between Trulieve and the Company and the receipt of CSE, regulatory and shareholder approvals.

On August 16, 2018, the Company announced that it settled an aggregate of $78,345 of indebtedness owed to certain arms-length creditors through the issuance of an aggregate of 1,958,613 common shares (“Common Shares”) of the Company a price of $0.04 per Common Share (the “Debt Settlement”). All Common Shares issued in connection with the Debt Settlement are subject to a statutory old period of four month plus a day from August 15, 2018 in accordance with applicable securities legislation.

Financial Instruments and Other Instruments
The Company’s financial instruments consist of cash, short-term investment, trade and other payables and due to related parties. It is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends
The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Assessment of Recoverability of Deferred Income Tax Assets
In preparing the financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered probable, no deferred income tax asset is recognized.

Assessment of Recoverability of Receivables Including HST
The carrying amount of accounts receivables and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Other Risk Factors

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospective properties for mineral exploration in the future.

Financial Risk Factors

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.

b. **Receivables and other assets** – The Company is not exposed to significant credit risk as this amount is due from the Canadian Federal government.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2018, the Company had a working capital deficiency of $456,652 (December 31, 2017 - $351,628). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein. The Company's financial liabilities generally have contractual maturities of 30 days and are subject to normal trade terms.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk
The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

b. Price risk
The Company holds the common shares of publicly traded companies. The Company has classified these investments as FVTPL and such common shares are subject to stock market volatility. The value of these financial instruments fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

Sensitivity Analysis
The Company has designated its cash and cash equivalents as held for trading, which is measured at fair value; the carrying amount of the financial instruments equals fair market value.

Management believes that, based on their knowledge and experience of financial markets, the following sensitivity analysis is appropriate for its cash and cash equivalents and its exposure to foreign exchange risk: The Company's funds are held primarily in short term investment grade deposits, the rates of which are fixed for a period not exceeding 12 months.

As of June 30, 2018 the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

(i) The Company's short-term investments are subject to fair value fluctuations. As at June 30, 2018, if the quoted market value of short-term investments had decreased/increased by 10% net loss would have been approximately $4,250 (December 31, 2017 - $8,225) higher/lower. Similarly, as at June 30, 2018, reported equity would have been approximately $4,250 (December 31, 2017 - $8,225) lower/higher as a result of a 10% decrease/increase in the fair value of short-term investments.

(ii) The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

New standards and interpretations adopted
Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRSIC") that are mandatory and applicable to Schyan for its annual period beginning January 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has been adopted and the Company has assessed that the new standard has no significant impact to the financial statements.

IFRS 9 Financial Instruments. - IFRS 9 covers the classification and measurement, impairment and hedge accounting of financial assets and financial liabilities and the effective date is for annual periods on or after January 1, 2018. Amendments to IFRS 9 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

Critical Accounting Estimates
Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates relate primarily to the recoverable value of its mineral properties and related deferred exploration costs.

These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

If the going concern assumption was not appropriate for the six months ended June 30, 2018 financial statements, then adjustments would be necessary to the carrying value of assets and liabilities and the reported loss.

Internal Control over Financial Reporting
Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Treasurer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management of the Company, with the participation of the President and Chief Executive Officer and the Treasurer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Treasurer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Treasurer, as appropriate to allow timely decisions regarding required disclosure.

Milestones
As of June 30, 2018, the Company had not met its milestone of having the shares of the Company trading on an exchange. Management is hopeful this milestone will be achieved during the next several quarters.

Management's Responsibility
Management is responsible for all information contained in this report. The unaudited interim condensed financial statements for the three and six months ended June 30, 2018 have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the financial statements for the three and six months ended June 30, 2018 in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Board of Directors has approved the financial statements on the recommendation of the Audit Committee.

Lisa McCormack, CEO
August 27, 2018

SCHEDULE "E"

CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

TRULIEVE CANNABIS CORP.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in US dollars unless otherwise stated)

As at	Schyan Exploration Inc. Juen 30, 2018	Trulieve Inc. June 30, 2018	Note	Pro Forma Adjustments	Pro Forma Consolidation
Assets					
Current assets					
Cash and cash equivalents	10,173	8,866,618	3(d)(i)	50,434,615	56,002,103
			3(d)(ii)	(3,259,303)	
			3(f)	(50,000)	
Short-term investments	32,692	-			32,692
Inventories	-	5,592,302			5,592,302
Biological assets	-	17,970,940			17,970,940
Prepaid expenses	1,263	1,249,402			1,250,665
	44,128	33,679,262		47,125,312	80,848,702
Property , plant, and equipment	-	36,949,975			36,949,975
Deposits	-	1,000,000			1,000,000
Intangible assets - tradename	-	1,000,000			1,000,000
	44,128	**72,629,237**		**47,125,312**	**119,798,677**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	395,399	3,155,784	3(a)	(315,968)	3,174,950
			3(b)	(60,265)	
Income taxes payable	-	5,680,000			5,680,000
Deferred revenue	-	316,185			316,185
Notes payable	-	2,666,666			2,666,666
Notes payable - related party	-	2,359,183			2,359,183
	395,399	14,177,818		(376,233)	**14,196,984**
Notes payable	-	9,290,477		-	9,290,477
Notes payable - related party	-	17,780,818		-	17,780,818
Deferred tax liability	-	5,284,000		-	5,284,000
	395,399	**46,533,113**		**(376,233)**	**46,552,279**
Shareholders' Equity					
Capital stock	408,995	11,684,042	3(a)	315,968	58,764,101
			3(b)	60,265	
			3(c)	(785,228)	
			3(d)(i)	50,434,615	
			3(d)(ii)	(3,259,303)	
			3(d)(iii)	(1,018,253)	
			3(e)	923,000	
Reserves	27,894		3(c)	(27,894)	1,018,253
			3(d)(iii)	1,018,253	
Deficit	(788,160)	14,412,082	3(c)	788,160	13,464,044
			3(e)	(948,038)	
	(351,271)	26,096,124		47,501,545	**73,246,398**
	44,128	**72,629,237**		**47,125,312**	**119,798,677**

1. Basis of presentation

In July 2018, Trulieve Inc. ("Trulieve" or the "Company") and Schyan Exploration Inc. ("Schyan") announced that they have entered into a non-binding letter agreement (the "Agreement") whereby the Trulieve and Schyan would merge in the form of a reverse takeover of Schyan by Trulieve (the "Transaction"). The resulting issuer would be names Trulieve Cannabis Corp. and apply to have its shares listed on the Canadian Securities Exchange (CSE).

These unaudited pro forma consolidated financial statements have been prepared to give effect to the Transaction on the basis that each shareholder of Trulieve will receive shares of common stock of Schyan in exchange for their Trulieve common Shares. These unaudited pro forma statements reflect the acquisition of 100 per cent of the Trulieve Common Shares.

After completion of the Transaction, the former Trulieve shareholders will have acquired control of the resulting issuer and the transaction will be accounted for as a reverse take-over acquisition of Schyan by Trulieve.

The pro forma financial statements have been prepared from information derived from, and should be read in conjunction with, the following historical financial information which was prepared in accordance with International Financial Reporting Standards ("IFRS"):

a. For the unaudited pro forma consolidated statement of financial position (giving effect to the Transaction as if it had occurred on June 30, 2018):

    i. the unaudited condensed interim statement of financial position of Trulieve Inc. as at June 30, 2018;

    ii. the unaudited condensed interim statement of financial position of Schyan Exploration Inc. as at June 30, 2018;

Pro forma consolidated statements of operations and comprehensive income have not been prepared as the resulting information contained therein would not be substantially different from the financial statements of Trulieve Inc.

These unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies as set out in the audited financial statements of Trulieve for the year ended December 31, 2017 which are incorporated by reference into this document.

Certain line items from Schyan's financial statements have been reclassified to conform to the presentation of the Trulieve's financial statements. Schyan's financial statements have also bee converted from Canadian dollars to US dollars (note 3(h)). It is management's opinion that these unaudited pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described in Note 2 and the assumptions described in Note 3 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited pro forma consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Trulieve described above. These unaudited pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the proposed transactions been effected on the dates indicated. Further, the unaudited pro forma financial information is not necessarily indicative of the results that may be obtained in the future. The pro forma adjustments and allocations of the purchase price for Schyan are based, in part, on estimates of the fair value of the assets acquired and liabilities assumed. The final purchase price allocation will be completed after asset and liability valuations are finalized. The final valuation will be based on the actual net tangible and intangible assets of Schyan that exist as of the date of the completion of the acquisition.

2. Transaction

The Transaction will be treated for accounting purposes as an asset acquisition. In consideration for the acquisition of Schyan, Trulieve will issue 200,000 shares of Trulieve common stock representing $923,000 total value based on the concurrent financing subscription price of $4.6154 (note 3(d)(i)). The final acquisition price will be based on the quoted market price and the actual number of Trulieve Cannabis Corp. shares, options, and warrants issued to the Schyan shareholders, option holders, and warrant holders, respectively.

For the purpose of determining the value of the purchase consideration, the total number of outstanding shares, options, and warrants have been derived from the latest published financial statements of Schyan as at December 31, 2017 and adjusted for any assumed exercises and expiries (note 3(e)). The value of the purchase consideration for accounting purposes will differ from the amount assumed in the unaudited pro forma consolidated financial statement information for changes in the number of outstanding shares, options and warrants as of the transaction closing date.

The fair value of the net assets of Schyan to be acquired will ultimately be determined during the second quarter of 2018. Therefore, it is likely that the fair values of assets and liabilities acquired will vary from those shown below and the differences may be material. The preliminary acquisition cost has been allocated as follows:

Fair value of 200,000 shares issued	$	923,000
Transaction costs (note 3(f))		50,000
Total purchase price	**$**	**973,000**
Cash and cash equivalents	$	10,173
Short-term investments		32,692
Prepaid expenses		1,263
Accounts payable and accrued liabilities (notes 3(a) and (b))		(19,166)
Total net assets acquired	**$**	**24,962**
Listing expense (note 3(e))	**$**	**948,038**
Total purchase price	**$**	**973,000**

3. Pro forma assumptions and adjustments

These unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions:

(a) On July 10, 2018, Schyan settled $315,968 (CAD $410,759) indebtedness with the issuance of 10,268,987 common shares.

(b) On August 16, 2018, Schyan settled $78,345 (CAD $78,345) indebtedness with the issuance of 1,958,613 common shares.

(c) Schyan equity is eliminated.

(d) Trulieve will close a concurrent financing:

i. Issuing 7,354,050 common shares at a price of $4.6154 (CAD $6.00) and 35,734.50 multiple voting shares (“MVS”) at a price of $461.54 (CAD $600) for total proceeds of $50,434,615 (CAD $65,565,000);

ii. Financing costs of $3,259,303 (CAD $4,237,094) will be incurred;

iii. Issuing 535,446 broker warrants are valued at 3% of the total proceeds ($1,513,038).

(e) The fair value of the 200,000 common shares deemed issued by Trulieve to acquire Schyan is $923,000 based on the value of the concurrent financing; this represents an effective exchange ratio for Schyan shares of 0.01235 to 1. The excess of the purchase price over net assets acquired is expensed as listing costs.

(f) Costs directly related to the acquisition of Schyan are assumed to be $50,000.

(g) Prior to the transaction, Trulieve has 5,683.11 super voting shares (“SVS”) and 895.79 multiple voting shares (“MVS”) outstanding.

i. The SVS and MVS will be split on a 150 for 1 basis;

ii. For purposes of presenting the relative equity interests of the shareholders of the Company in this pro forma statement, the SVC and MVS are assumed to be converted in accordance with their specified conversion ratio of 100 subordinate shares for every 1 SVS or MVS.

(h) All amounts in Canadian dollars, including the statement of financial position of Schyan at June 30, 2018 and the concurrent financing proceeds and issuance costs, have been converted into US dollars at an exchange rate of 1.30 CAD per 1 USD representing the exchange rate as at August 31, 2018.

(Expressed in US dollars unless otherwise stated)

4. Pro forma share capital

Pro forma share capital as at June 30, 2018 has been determined as follows:

	Note	Number of SVS	Number of MVS	Number of Subordinate Shares	Value
Shares of Trulieve issued and outstanding as at June 30, 2018		5,683.11	895.79	-	$ 11,684,042
150:1 share split	3(g)(i)	846,783.39	133,472.71	-	-
Concurrent financing - subordinate shares	3(d)(i)	-	-	7,354,050	33,941,769
Concurrent financing - MVS	3(d)(i)	-	35,734.50	-	16,492,846
Concurrent financing costs	3(d)(ii)	-	-	-	(3,259,303)
Broker warrants on concurrent financing	3(d)(iii)	-	-	-	(1,018,253)
Assumed conversion of SVS (100:1)	3(g)(ii)	(852,466.50)	-	85,246,650	-
Assumed conversion of MVS (100:1)	3(g)(ii)	-	(170,103.00)	17,010,300	-
Shares of Schyan issued and outstanding as at June 30, 2018		-	-	3,961,372	408,995
Settlement of debt - July 10, 2018	3(a)	-	-	10,268,987	315,968
Settlement of debt - August 16, 2018	3(b)	-	-	1,958,613	60,265
Eliminate Schyan share capital	3(c)	-	-	(16,188,972)	(785,228)
Common shares issued to acquire Schyan	3(e)	-	-	200,000	923,000
Pro forma share capital		**-**	**-**	**109,811,000**	**$ 58,764,101**

5. The combined federal and state corporate income tax rate of the resulting issuer is expected to be 25.3%.