QUIZAM MEDIA CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

AUGUST 31, 2019 AND 2018

(Unaudited)

The accompanying unaudited interim financial statements have been prepared by Management of Quizam Media Corporation and have not been reviewed by the Company's auditors

QUIZAM MEDIA CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	As at August 31, 2019 $	As at May 31, 2019 $
ASSETS		
Current		
Cash and cash equivalents	20,701	252,278
Accounts receivable	32,370	17,236
Prepaid expenses and deposits	28,464	32,256
Sales taxes recoverable	22,757	43,858
Total current assets	104,292	345,628
Property and equipment (Note 3)	1,479,236	79,210
Total assets	1,583,528	424,838
LIABILITIES		
Current		
Accounts payable and accrued liabilities	359,626	275,915
Deferred lease inducement	–	26,956
Deferred revenue	46,457	49,260
Due to related parties (Note 9)	262,228	238,246
Lease liabilities – Current (Note 13)	231,586	–
	899,897	590,377
Deferred lease inducement	–	9,519
Lease liabilities – Long-term (Note 13)	1,189,787	–
Total liabilities	2,089,684	599,896
DEFICIENCY		
Share capital (Note 4)	20,115,171	20,115,171
Subscriptions received	66,000	–
Contributed surplus	2,734,356	2,734,356
Deficit	(23,421,683)	(23,024,585)
Total deficiency	(506,156)	(175,058)
Total liabilities and deficiency	1,583,528	424,838

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

APPROVED ON BEHALF OF THE BOARD ON OCTOBER 30, 2019

/s/ "Russ Rossi"
Russ Rossi, Director

/s/ "Jim Rosevear"
Jim Rosevear, Director

QUIZAM MEDIA CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Three Months Ending August 31 2019	Three Months Ending August 31 2018
	$	$
REVENUES		
Training services and software sales	142,250	84,907
Licensing fees	–	199,140
Consulting fees	169,693	–
	311,943	284,047
EXPENSES		
Accounting and legal (Note 9)	22,945	31,840
Automobile	8,787	5,984
Bank charges and finance fees	28,128	6,606
Depreciation	96,837	7,855
Investor and finance development (Note 9)	25,467	14,055
Management fees (Note 9)	36,000	36,000
Office and miscellaneous (Note 9)	32,176	9,457
On-Track TV development costs (Note 8 and 9)	21,924	62,922
Regulatory fees	2,654	15,692
Rent	23,375	47,527
Research and development (Note 9)	90,100	53,775
Software development costs (Note 9)	11,500	–
Subcontractors (Note 9)	201,368	43,143
Telephone and internet	7,891	5,695
Travel and business development (Note 9)	59,477	60,624
Wages and benefits (Note 9)	76,887	59,936
	745,516	461,011
LOSS BEFORE OTHER ITEMS	(433,573)	(177,064)
OTHER ITEMS		
Interest income	–	90
NET LOSS AND COMPREHENSIVE LOSS	(433,573)	(176,974)
LOSS PER SHARE BASIC AND DILUTED	(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	54,772,124	31,393,566

QUIZAM MEDIA CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Three Months Ending August 31, 2019 $	Three Months Ending August 31, 2018 $
OPERATING ACTIVITIES		
Net loss	(433,573)	(176,974)
Add back non-cash items:		
Depreciation	96,837	7,855
	(336,736)	(169,119)
Changes in non-cash working capital items:		
Accounts receivable	(15,134)	(82,297)
Prepaid expenses and deposits	3,792	574
Taxes recoverable	21,101	10,091
Accounts payable and accrued liabilities	30,183	(8,947)
Deferred lease inducement		204
Due to related parties	23,982	(185,943)
Deferred revenue	(2,803)	12,483
CASH USED IN OPERATING ACTIVITIES	(275,615)	(422,954)
FINANCING ACTIVITIES		
Repayment of principal portion of lease liability	(19,966)	–
Issuance of common shares, net	–	357,800
Share subscriptions received	66,000	–
CASH PROVIDED BY FINANCING ACTIVITIES	46,034	357,800
INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,996)	(1,650)
CASH USED IN INVESTING ACTIVITIES	(1,996)	(1,650)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(231,577)	(66,804)
CASH AND CASH EQUIVALENTS – BEGINNING OF THE PERIOD	252,278	76,253
CASH AND CASH EQUIVALENTS – END OF THE PERIOD	20,701	9,449
SUPPLEMENTAL INFORMATION		
Interest paid	–	–
Income tax paid	–	–

QUIZAM MEDIA CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY

FOR THE THREE MONTHS ENDED AUGUST 31, 2019 AND 2018

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Number of Common Shares	**Amount**	**Contributed Surplus**	**Share Subscriptions (Receivable) Received**	**Deficit**	**Total**
		$	**$**	**$**	**$**	**$**
As at May 31, 2018	**30,937,044**	**18,138,016**	**2,439,630**	**(105,800)**	**(20,634,111)**	**(162,265)**
Units issued for cash	4,200,000	252,000	–	–	–	252,000
Shares subscriptions received	–	–	–	105,800	–	105,800
Net loss for the period	–	–	–	–	(176,974)	(176,974)
As at August 31, 2018	**35,137,044**	**18,390,016**	**2,439,630**	**–**	**(20,811,085)**	**18,561**
Balance previously reported, May 31, 2019	**54,772,124**	**20,115,171**	**2,734,356**	**–**	**(23,024,585)**	**(175,058)**
IFRS 16 transitional amount (Note 2)	–	–	–	–	36,475	36,475
Balance as adjusted, May 31, 2019	**54,772,124**	**20,115,171**	**2,734,356**	**–**	**(22,988,110)**	**(138,583)**
Shares subscriptions received	–	–	–	66,000	–	66,000
Net loss for the period	–	–	–	–	(433,573)	(433,573)
As at August 31, 2019	**54,772,124**	**20,115,171**	**2,734,356**	**66,000**	**(23,421,683)**	**(506,156)**

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

1. CORPORATE INFORMATION, NATURE AND CONTINUANCE OF OPERATIONS

Quizam Media Corporation (the "Company") was incorporated on September 15, 2000 under the provisions of the Company Act of British Columbia. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "QQ" (moved from the TSX Venture Exchange ("TSX-V") effective July 12, 2018). The Company's principal business activities consist of providing computer training and consulting services, marketing of a computer based educational program, film production and consulting services. The Company has plans to operate retail cannabis dispensaries. The address of the Company's corporate office and its principal place of business is Suite 650 – 609 Granville Street, Vancouver, BC, V7Y 1G6.

These interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has a history of significant losses, sizeable accumulated deficits and working capital deficits. These factors form a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on completing equity financings, obtaining support from related parties or generating consistent profitable operations in the future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance and Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting.*

These interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, On-Track Computer Training Ltd., Quizam Entertainment LLC and Quantum 1 Cannabis Corp. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, have been eliminated on consolidation.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

b) New accounting standards adopted

IFRS 16 Leases

In January 2016, the IASB published a new standard, IFRS 16, *Leases*, replacing IAS 17, *Leases* and related interpretations. The new standard eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. Effective June 1, 2019, the Company adopted this standard using the modified retrospective approach under which the cumulative effect of initial application was recognized in retained earnings at June 1, 2019. Prior periods have not been restated for the impact of IFRS 16. Comparative information is still reported under IAS 17 and IFRIC 4. The impact of this change in accounting policy is noted below.

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For contracts entered into before June 1, 2019, the Company determined whether the arrangement contained a lease under IAS 17. Prior to the adoption of IFRS 16, these leases were classified as operating or finance leases based on an assessment of whether the lease transferred significantly all the risks and rewards of ownership of the underlying asset. The Company leases office space.

On transition, the Company elected to apply the practical expedient to grandfather the determination of which contract is or contains a lease and applied IFRS 16 to those contracts that were previously identified as leases. Upon transition to the new standard, right-of-use assets and lease liabilities were measured at the present value of the remaining lease payments discounted by the Company's incremental borrowing rate as at June 1, 2019. The non-cash adjustment has been excluded from the Statement of Cash Flows. The weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 7%.

For contracts entered into subsequent to June 1, 2019 at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Under IFRS 16, right-of-use asset is tested for impairment in accordance with IAS 36, *Impairment of Assets*. This replaced the previous requirement to recognize a provision for onerous lease contacts.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of comprehensive loss.

Adoption of IFRS 16 had the following impact on the financial position as at June 1, 2019:

	(As Previously Reported Under IAS 17) May 31, 2019 $	IFRS 16 Effects $	June 1, 2019 $
Assets			
Property and equipment	79,210	1,494,867	1,574,077
Total Assets	424,838	1,494,867	1,919,705

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	(As Previously Reported Under IAS 17) May 31, 2019 $	IFRS 16 Effects $	June 1, 2019 $
Liabilities			
Deferred lease inducement	36,475	(36,475)	–
Lease liabilities	–	1,494,867	1,494,867
Total Liabilities	599,986	1,458,392	2,058,378
Deficit	(23,024,585)	36,475	(22,988,110)

3. PROPERTY AND EQUIPMENT

Cost	**Computer Hardware**	**Furniture and Fixtures**	**Leasehold Improvements**	**Library**	**Right-of-use Assets**	**Total**
As at May 31, 2019	$ 421,661	$ 101,336	$ 89,537	$ 4,755	$ –	$ 617,289
IFRS 16 transition	–	–	–	–	1,494,867	1,494,867
Additions	–	–	–	1,996	–	1,996
As at August 31, 2019	$ 421,661	$ 101,336	$ 89,537	$ 6,751	$ 1,494,867	$ 2,114,152
Accumulated Depreciation						
As at May 31, 2019	$ 401,051	$ 84,777	$ 47,496	$ 4,755	$ –	$ 538,079
Depreciation	4,084	1,209	3,246	100	88,198	96,837
As at August 31, 2019	$ 405,135	$ 85,986	$ 50,742	$ 4,855	$ 88,198	$ 634,916
Carrying Amounts						
Balance, May 31, 2019	$ 20,610	$ 16,559	$ 42,041	$ –	$ –	$ 79,210
Balance, August 31, 2019	$ 16,526	$ 15,350	$ 38,795	$ 1,896	$ 1,406,669	$ 1,479,236

4. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common voting shares without par value. Disclosures on any common shares issued are also provided in the consolidated statements of changes in deficiency.

There were no transactions during the three months ended August 31, 2019

(Expressed in Canadian dollars)

4. SHARE CAPITAL (continued)

Transaction during the three months ended August 31, 2018:

On August 21, 2018, the Company issued 4,200,000 units at a price of $0.06 per unit for proceeds of $252,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable for three years at a price of $0.10 per share. The Company's CEO subscribed for 400,000 units.

5. STOCK OPTIONS

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Incentive Share Option Plan (the "Plan"). Under the Plan, the option price must not be less than the closing price of the common shares of the Company on the TSX-V on the day immediately preceding the date of grant less the applicable discount if any. The number of options that may be issued under the plan is limited to no more than 10% of the Company's issued and outstanding shares on the grant date. Options vest immediately. Vesting restrictions may also be applied to certain other options grants, at the discretion of the directors.

The following table summarizes the continuity of the Company's stock options:

	Number of Underlying Shares	Weighted Average Exercise Price
Outstanding, May 31, 2019	3,235,000	$ 0.24
Granted	–	–
Expired/Cancelled	–	–
Outstanding, August 31, 2019	3,235,000	$ 0.24

All of the options outstanding at August 31, 2019, were fully vested.

The weighted average remaining contractual life of the stock options outstanding as at August 31, 2019 was 1.47 years (May 31, 2019 – 1.72 years).

6. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of Underlying Shares	Weighted Average Exercise Price
Balance, May 31, 2019	37,535,080	$ 0.17
Expired	–	–
Exercised	–	–
Issued	–	–
Balance, August 31, 2019	37,535,080	$ 0.17

(Expressed in Canadian dollars)

6. SHARE PURCHASE WARRANTS (continued)

At August 31, 2019, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
2,000,000	$0.50	November 1, 2019
3,900,000	$0.25	February 2, 2021
8,500,000	$0.08*	May 29, 2021
4,200,000	$0.10	August 21, 2021
4,375,000	$0.20	October 22, 2021
4,150,000	$0.20	November 5, 2021
4,500,000	$0.18	November 21, 2021
1,000,000	$0.20	December 06, 2021
4,910,080	$0.15	February 26, 2022
37,535,080		

* Exercise price increases to $0.10 per share on December 1, 2019

The weighted average remaining contractual life of the warrants outstanding as at August 31, 2019 was 1.92 years (May 31, 2019 – 2.17 years).

7. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The Company derives sales from training services, software sales and licensing sales and consulting fee revenue.

(a) Training Services and UK On-Track TV sales and expenses for the three months ended August 31, 2019 and 2018, respectively:

	2019 $	2018 $
Revenue	142,250	84,907
Expenses	(278,163)	(237,636)
Profit (loss)	(135,913)	(152,729)

(b) Software and Licensing sales and expenses for the years ended August 31, 2019 and 2018, respectively:

	2019 $	2018 $
Revenue	–	199,140
Expenses	(8,924)	(77,010)
Profit (loss)	(8,924)	122,130

(Expressed in Canadian dollars)

7. SEGMENTED INFORMATION (continued)

(c) Quantum 1 Cannabis's consulting services sales and expenses for the three months ended August 31, 2019 and 2018, respectively:

	2019 $	2018 $
Revenue	169,693	–
Expenses	(132,970)	–
Profit	36,723	–

The Company's operations are centralized whereby the Company's head office is responsible for the operational results. All of the Company's assets are in Canada. The Company's revenues include sales generated in Canada, USA and in Europe as follows:

	2019 $	2018 $
Canada	142,250	89,407
USA	169,693	199,140
	311,943	284,047

8. PRODUCT DEVELOPMENT COSTS

(a) On-Track TV

The costs associated with development of the On-Track TV, which are included in expenses for the three months ended August 31, 2019 and 2018, are as follows:

	2019 $	2018 $
Salary, wages and fees	–	39,022
Production costs	33,300	23,900
	33,300	62,912

(b) Quizam software

The costs associated with development of the Quizam educational software, which are included in the consolidated statement of operations, and comprehensive loss for the three months ended August 31, 2019 and 2018, are as follows:

	2019 $	2018 $
Salary, wages and fees (management, programming and marketing)	10,950	18,600

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS

(a) Key management compensation

The Company has identified its Directors, President and Chief Executive Officer, and Chief Financial Officer as its key management personnel and the compensation costs and fees related to them were recorded at their exchange amounts as agreed upon by transacting parties. Expenses incurred for key management compensation are summarized as follows:

	2019 $	2018 $
Management fees	36,000	36,000

For the three months ended August 31, 2019 and 2018, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

(b) Amounts due to related parties

At August 31, 2019, $262,228 (May 31, 2019 – $238,246) was owed to a significant shareholder and companies owned by a significant shareholder, who is also a director and officer, and to a company owned by his relative.

(c) Related party transactions

During the three months ended August 31, 2019, an amount of $228,942 (2018 - $197,060) was included in expenses for services provided by companies owned by a significant shareholder, who is also a director and officer, and immediate family of the significant shareholder. The breakdown of expenses included in the consolidated statement of operations and comprehensive loss is as follows:

	2019 $	2018 $
Accounting and legal	22,000	30,000
Investor and finance development	7,050	14,124
Management fees	36,000	36,000
Office and miscellaneous	6,917	5,603
On-Track TV development costs	21,800	22,500
Research and development	90,100	53,775
Software development costs	11,500	1,400
Travel and business development	21800	10,550
Wages and benefits	11,775	23,108
	228,942	197,060

(Expressed in Canadian dollars)

10. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares, options and warrants for a total amount of $22,915,527 at August 31, 2019 (May 31, 2019 – $22,849,527). The Company's principal source of capital is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital funding to be able to meet the Company's educational software development, internet training development and film production to ensure the growth of activities.

11. LINE OF CREDIT

As at August 31, 2019, the Company has a line of credit of $5,000 bearing interest at the bank's prime rate plus five percent. The line of credit is guaranteed by the assets of the Company. There was no outstanding balance as of August 31, 2019 and 2018.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

	August 31, 2019 $	May 31 2019 $
FVTPL (i)	20,701	252,278
Financial assets at amortized cost (ii)	32,370	17,236
Financial liabilities at amortized cost (iii)	(621,854)	(514,161)

(i) Cash and cash equivalents
(ii) Accounts receivable
(iii) Accounts payable and amounts due to related parties

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Level	August 31, 2019 $	May 31, 2019 $
Cash and cash equivalents	1	20,701	252,278

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of accounts receivable. Credit risk from accounts receivable encompasses the default risk of its customers. The Company manages its exposure to credit risk by only working with reputable companies and by performing on-going credit evaluations of its customers' financial condition and requires letters of credit or other guarantees whenever deemed appropriate. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

The following table provides information regarding the aging of financial assets that are past due but which are not impaired as at August 31, 2019:

	Neither past due nor impaired	31-60 days	61-90 days	91 days and over	Carrying value
Trade accounts receivable	$ 32,370	-	-	-	32,370

Liquidity Risk

The Company manages its ability to meet its short-term obligations through the capital management described in Note 10. The Company has a working capital deficit and requires additional financing to fund operations.

Foreign Exchange Risk

As the Company generates a portion of its revenues in the U.S., the Company's foreign exchange risk arises with respect to the U.S. dollar. Financial instruments that subject the Company to foreign currency exchange risk include cash and accounts receivable. Approximately 54% of the Company's revenues are denominated in U.S. dollars (2018 – 70%) while a significant amount of the Company's expenses are denominated in Canadian dollars. Fluctuation of foreign exchange rate between U.S. dollar and Canadian dollar is not considered to have a material impact on the Company's financial statements.

Interest Rate Risk

In management's opinion, the Company is not exposed to significant interest rate risk.

(Expressed in Canadian dollars)

13. LEASE LIABILITIES

Lease liabilities consists of leases for office space and storefront locations. The leases have been discounted using a 7% interest rate.

Balance at June 1, 2019	$ 1,494,867
Additions	–
Interest expense	25,733
Lease payments	(99,227)
Balance at August 31, 2019	$ 1,421,373
Less: current portion	(231,586)
	$ 1,189,787

The following is a schedule of minimum lease payments as of August 31, 2019:

2020	$ 300,855
2021	405,236
2022	415,353
2023	331,658
2024	187,268
Net minimum lease payments	$ 1,640,370
Less amount representing interest payments	(218,997)
Present value of net minimum lease payments	$ 1,421,373
Less: current portion	(231,586)
Long-term portion	$ 1,189,787

14. SUBSEQUENT EVENTS

In September 2019, the Company issued 4,000,000 units at a price of $0.06 per unit for proceeds of $240,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable for two years at a price of $0.15 per share for the first year and $0.25 per share for the second year.

In October 2019, the Company issued 4,300,000 units at a price of $0.06 per unit for proceeds of $258,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable for two years at a price of $0.15 per share for the first year and $0.25 per share for the second year.

In September 2019, the Company entered into 4 new leases replacing 4 existing leases for storefront locations in Creston, Grand Forks, Keremeos and Vernon, British Columbia.