

Carpincho Capital Corp.

Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(unaudited)

For the Three and Nine Months Ended March 31, 2018

Management's Responsibility for Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Carpincho Capital Corp. (the "Company" or "Carpincho") are the responsibility of management.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim 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 periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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.

Notice to Reader

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Carpincho Capital Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(unaudited)
As at

	March 31, 2018	June 30, 2017
Assets		
Current		
Cash (Note 3)	\$ 272,586	\$ 2,042
	\$ 272,586	\$ 2,042
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 132,699	\$ 90,961
Shareholder loan (Note 8)	32,500	32,500
Transaction cost fund (Note 3)	270,611	-
	435,810	123,461
Equity		
Share capital (Note 3)	1,000	1,000
Special warrants (Note 3)	29,389	-
Deficit	(193,613)	(122,419)
	(163,224)	(121,419)
	\$ 272,586	\$ 2,042

Nature of Operations and Gong Concern (Note 1)

Carpincho Capital Corp.
Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(unaudited)
For the Three and Nine Months Ending March 31

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Nine Months Ended March 31, 2018	Nine Months Ended March 31, 2017
Expenses				
General and administrative	\$ 9	\$ 9	\$ 67	\$ 67
Legal fees	32,226	4,900	38,395	9,850
Regulatory filing fees	4,455	-	7,798	3,239
Audit fees	24,934	-	24,934	-
	61,624	4,909	71,194	13,156
Net loss and comprehensive loss for the period	\$ (61,624)	\$ (4,909)	\$ (71,194)	\$ (13,156)
Basic and diluted earnings (loss) per share	\$ (0.012)	\$ (0.000)	\$ (0.014)	\$ (0.002)
Weighted average number of Common Shares outstanding (Note 3)	5,000,000	5,000,000	5,000,000	5,000,000

See accompanying notes which are an integral part of these statements

Carpincho Capital Corp.
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)
(unaudited)

	Share Capital		Deficit	Total
	Shares	Amount		
Balance, July 1, 2016	5,000,000	\$1,000	\$(103,173)	\$(102,173)
Net loss and comprehensive loss for the period			(13,1567)	(13,156)
Balance, Mar. 31, 2017	5,000,000	\$1,000	\$(116,329)	\$(115,329)
Balance, July 1, 2017	5,000,000	\$1,000	\$(122,419)	\$(121,419)
Special warrants (Note 3)		\$29,389		\$ 29,389
Net loss and comprehensive loss for the period			(71,194)	(71,194)
Balance, Mar. 31, 2018	5,000,000	\$30,389	\$(193,613)	\$(163,224)

See accompanying notes which are an integral part of these statements

Carpincho Capital Corp.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(unaudited)
For the Three and Nine Months Ending March 31

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Nine Months Ended March 31, 2018	Nine Months Ended March 31, 2017
Cash used in Operations				
Net loss	\$ (61,624)	\$ (4,909)	\$ (71,194)	\$ (13,136)
Net changes in non-cash working capital				
Accounts payable and accrued liabilities	32,226	4,900	41,738	13,089
	(29,398)	4,900	(29,456)	13,089
Cash provided by financing activities				
Transaction cost fund	300,000	-	300,000	-
Net change in cash	270,602	(9)	270,544	(67)
Cash, beginning of period	1,984	2,060	2,042	2,018
Cash, end of period	\$ 272,586	\$ 2,051	\$ 272,586	\$ 2,051

See accompanying notes which are an integral part of these statements

1. NATURE OF OPERATIONS

The Company was incorporated under the Canada Business Corporations Act on April 26, 2002 and is engaged in venture capital activities. The Company intends to identify and evaluate opportunities for the acquisition of an interest in properties, assets or businesses, and once identified and evaluated, to negotiate an acquisition thereof, merger with or participation therein.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation or once identified, conclude a merger or acquisition transaction. Furthermore, the Company has limited working capital to pursue such opportunities. The ability of the Company to continue as a going concern is dependant upon, among other things, being able to obtain adequate financing, and maintaining positive operating cash flows. Additionally, if the Company requires additional cash resources to fund current operations, there is no assurance that it will be able to obtain these required cash resources. However, management has assessed the Company's ability to continue as a going concern and determined that the Company will continue for the foreseeable future subject to the material uncertainties listed above. Therefore, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations of the IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of May 30, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2018 could result in restatement of these unaudited condensed interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

There are no relevant changes in accounting standards applicable to current and future periods other than as disclosed in the most recent annual statements as at and for the year ended June 30, 2017.

Carpincho Capital Corp.
Notes to Financial Statements
March 31, 2018
(unaudited)

3. CAPITAL STOCK

	March 31, 2018	June 30, 2017
Authorized		
unlimited common shares		
1,000,000 special warrants		
Issued		
5,000,000 common shares ⁽¹⁾	\$ 1,000	\$ 1,000
1,000,000 special warrants	29,389	-
	\$ 30,389	\$ 1,000

- (1) On January 20, 2011 the articles of the Company were amended to: (i) change the name of the Company to "Carpincho Capital Corp."; (ii) eliminate all classes of share capital of the Company and replace it with one class of common shares; and (iii) to reclassify each issued and outstanding Class A Share as 5,000 common shares. All share figures in these financial statements have been adjusted for the share reclassification.

On January 26, 2018 the Company completed a non-brokered private placement of special warrants raising gross proceeds of \$300,000. The Company issued and sold 1,000,000 special warrants at a price of \$0.30 per special warrant, with each special warrant exercisable upon the satisfaction of certain conditions and for no additional consideration for one common share of the Company.

The proceeds from the special warrant financing were placed into escrow and may be used by the Company only to fund *bona fide* merger and acquisition transaction costs. Under the terms of the Company's proposed business combination with MM Developments Company, LLC (see Note 9), the Company is required to fund the transaction costs of both parties to a maximum of \$300,000. At March 31, 2018 restricted cash held in escrow was \$270,611 with \$29,389 having been disbursed from escrow during the period to pay transaction expenses. In addition, during the three month period ended March 31, 2018, the Company incurred an additional \$32,226 in transaction costs related to the proposed business combination with MM Developments which are included in accounts payable and accrued liabilities and may be satisfied by restricted cash held in escrow.

Exercise of the special warrants is conditional upon certain merger and acquisition milestones being met by prescribed deadlines. If the milestones are not achieved by the prescribed deadlines, the special warrants will automatically expire unexercised and any funds remaining in escrow will be returned to the investors on a *pro rata* basis.

4. LOSS PER SHARE

Loss per share for the three and six months ended March 31, 2018 has been calculated based on the weighted average number of shares outstanding of 5,000,000.

5. CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of issued share capital and deficit, in the definition of capital, amounting to a deficiency of \$163,224. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to identifying and evaluating assets or businesses to merge with or acquire. To secure the additional

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capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or debt.

There has been no change with respect to the overall capital risk management strategy during the three and six months ended March 31, 2018.

6. RELATED PARTY TRANSACTION

Transactions with related parties are incurred in the normal course of business and are measured at fair value, which is the amount of consideration established and approved by the related parties. Related party transactions have been listed below, unless they have been disclosed elsewhere in the financial statements.

During the three and nine months ended March 31, 2018 the Company incurred legal fees from a law firm in which a director and officer of the Company is a director, officer and shareholder in the amount of \$29,205 and \$35,374 respectively (three and nine months ended March 31, 2017 – \$4,900 and \$9,850, respectively). As at March 31, 2018 the amount of \$117,888 (excluding applicable taxes) is included in accounts payable and accrued liabilities for amounts incurred with this law firm.

7. FINANCIAL RISK MANAGEMENT

The Company's financial instruments, consisting of cash, accounts payable and accrued liabilities and shareholder loan, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Company received loans from a shareholder aggregating \$32,500. These loans are non-interest bearing and repayable on demand. The fair value of the loan from the shareholder approximates its carrying amount. As at March 31, 2018, the Company has negative working capital of \$163,224 (June 30, 2017 – negative working capital of \$121,419). The Company will require additional financing to meet its ongoing obligations and its business objectives.

8. SHAREHOLDER LOAN

The loan is unsecured, non-interest bearing and repayable on demand.

9. SUBSEQUENT EVENTS

In connection with the binding letter of intent entered into by the Company on February 13, 2018, on April 26, 2018, the Company entered into a definitive share exchange agreement with privately held MM Development Company, LLC (doing business as Planet 13 and Medizin) ("MM Development") and the shareholders of MM Development, which contemplates the acquisition of all shares of MM Development for shares of the Company in a previously announced business combination. MM Development is a vertically integrated cannabis company operating in the State of Nevada, USA. The share exchange agreement contemplates that each outstanding share of MM Development would be exchanged for one share of the Company following a consolidation of the shares of the Company on a basis of 0.875 of a new share for every one existing share, or a newly created restricted voting share (the "Acquisition").

On April 26, 2018 the Company also entered into a definitive Master Agreement with 10653918 Canada Inc. ("Finco") and a wholly-owned subsidiary of the Company, providing for the amalgamation of the subsidiary and Finco to be completed following the completion of the Acquisition.

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On April 26, 2018 Finco completed private placements of subscription receipts at a price of C\$0.80 for gross proceeds of C\$22,575,600. On May 18, 2018 Finco completed a further tranche of its private placement of subscription receipts for gross proceeds of approximately C\$2,580,000. Each subscription receipt entitles the holder to receive, upon satisfaction of certain escrow release conditions on or before July 25, 2018, and without payment of additional consideration, one unit in the capital of Finco. Each Finco unit shall consist of one common share and one-half of one common share purchase warrant of Finco, which units shall be exchanged, without further consideration, for one unit in the capital of the Company, following the completion of the Acquisition. Following the exchange for units, each warrant shall entitle the holder thereof to acquire one common share of the Company at a price of \$1.40 for a period of 24 months following the satisfaction of the escrow release conditions.

The proposed transaction, if completed, would constitute a reverse takeover of the Company. Completion of the proposed transaction is conditional upon, among other things, receipt of all required shareholder, regulatory and third party consents and approvals, including conditional approval for the listing of the post-consolidated common shares of the Company on the Canadian Securities Exchange. On May 23, 2018, the Canadian Securities Exchange conditionally approved the listing of such shares. Listing is subject to the satisfaction of all requirements of the Exchange. There can be no assurance that the transaction will proceed as proposed, or at all.