MM DEVELOPMENT COMPANY, INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF AND FOR THE THREE MONTHS ENDED
MARCH 31, 2018 AND 2017

(Unaudited, Expressed in United States Dollars)

MM DEVELOPMENT COMPANY, INC.
Condensed Interim Statements of Financial Position
(Unaudited – in United States dollars)

		March 31, 2018	December 31, 2017
ASSETS			
Current Assets:			
Cash		**$ 493,236**	$ 451,869
Inventories	*Note 3*	**961,386**	966,622
Biological Assets	*Note 4*	**2,801,767**	2,706,335
Prepaid Expenses and Other Current Assets		**579,389**	92,129
Total Current Assets		**4,835,778**	4,216,955
Property and Equipment, Net	*Note 5*	**4,245,825**	4,341,915
Deferred Tax Asset	*Note 11*	**-**	-
TOTAL ASSETS		**$ 9,081,603**	$ 8,558,870
LIABILITIES AND MEMBERS' DEFICIT			
LIABILITIES			
Current Liabilities:			
Accounts Payable		**$ 515,168**	$ 678,319
Accrued Expenses		**1,369,937**	1,055,829
Income Tax Payable	*Note 2*	**1,591,456**	1,270,862
Notes Payable - Current Portion	*Note 6*	**14,228**	14,182
Total Current Liabilities		**3,490,789**	3,019,192
Long-Term Liabilities:			
Notes Payable, Net of Current Portion	*Note 6*	**924,660**	925,890
Notes Payable Related Party	*Note 6*	**3,310,621**	6,526,732
Deferred Tax Liability	*Note 11*	**588,371**	568,330
TOTAL LIABILITIES		**8,314,441**	11,040,144
SHAREHOLDER'S EQUITY (DEFICIT)	*Note 8*	**767,162**	(2,481,274)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)		**$ 9,081,603**	$ 8,558,870

Nature of Operations (*Note 1*)
Commitments and Contingencies (*Note 12*)
Subsequent Events (*Note 15*)

Approved and authorized on June 20, 2018:

"Larry Scheffler"
Signed: Co-Chief Executive Officer

"William J. Vargas"
Signed: Vice President of Finance

The accompanying notes are an integral part of these financial statements

MM DEVELOPMENT COMPANY, INC.
Condensed Interim Statements of Operations
(Unaudited – in United States dollars)

		For the three months ended March 31,	
		2018	2017
Revenues, net of discounts		**$ 3,600,482**	$ 1,134,433
Gain on Biological Asset Transformation	*Note 4*	**2,130,696**	1,600,687
Cost of Goods Sold		**(4,109,105)**	(619,972)
Gross Profit		**1,622,073**	2,115,148
Expenses:			
General and Administrative	*Note 7*	**1,110,945**	432,053
Sales and Marketing		**105,546**	13,391
Depreciation and Amortization		**32,363**	28,435
Total Expenses		**1,248,854**	473,879
Income (Loss) From Operations		**373,219**	1,641,269
Other Income (Expense):			
Interest Expense, net		**(118,452)**	(233,119)
Other Income, net		**-**	-
Total Other Expense		**(118,452)**	(233,119)
Income (Loss) Before Provision for Income Taxes		**254,767**	1,408,150
Provision For Income Taxes	*Note 11*	**340,635**	719,151
Net Income (Loss)		**$ (85,868)**	$ 688,999

MM DEVELOPMENT COMPANY, INC.
Statements of Changes in Accumulated Deficit
(Unaudited – in United States dollars)

	Members' Capital	Number of Common Shares	Share Capital	Accumulated Deficit	Total
Balance, December 31, 2016	$ -	-	$ -	$ (3,302,815)	$ (3,302,815)
Net Income	-	-	-	688,999	688,999
Balance, March 31, 2017	$ -	-	$ -	$ (2,613,816)	$ (2,613,816)

	Members' Capital	Number of Common Shares	Share Capital	Accumulated Deficit	Total
Balance, December 31, 2017	$ -	-	$ -	$ (2,481,274)	$ (2,481,274)
Conversion of Shareholder Notes into Common Shares	-	75,000,000	3,334,304	-	3,334,304
Net Loss	-	-	-	(85,868)	(85,868)
Balance, March 31, 2018	$ -	75,000,000	$ 3,334,304	$ (2,567,142)	$ 767,162

The accompanying notes are an integral part of these financial statements

MM DEVELOPMENT COMPANY, INC.
Condensed Interim Statements of Cash Flows
(Unaudited – in United States dollars)

	For the three months ended March 31, 2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (Loss)	**$ (85,868)**	$ 688,999
Adjustments to Reconcile Net Income (Loss) to Net Cash Used In Operating Activities:		
Depreciation	**161,816**	146,018
Interest on Note Payable - Related Party	**118,193**	231,211
Changes in Operating Assets and Liabilities:		
Inventory	**5,236**	(291,742)
Biological Assets	**(95,432)**	(1,600,687)
Prepaid Expenses and Other Current Assets	**(487,260)**	-
Accounts Payable	**(163,151)**	355,449
Accrued Liabilities	**314,107**	(310,410)
Deferred Tax Liabilities	**20,041**	714,097
Income Tax Payable	**320,594**	174,917
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**108,276**	107,852
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(65,725)**	-
NET CASH USED IN INVESTING ACTIVITIES	**(65,725)**	-
CASH FLOW FROM FINANCING ACTIVITIES		
Principal payments on Equipment Financing	**(1,184)**	(3,453)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	**(1,184)**	(3,453)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**41,367**	104,399
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**451,869**	20,868
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 493,236**	$ 125,267

	2018	2017
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	**$ -**	$ -
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES		
Conversion of Shareholder Notes Payable to Equity	**$ 3,334,304**	$ -

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

MM Development Company, Inc. ("MMDC" or the "Company") is a privately held corporation existing under the laws of the State of Nevada. MMDC, founded on March 20, 2014, is a vertically integrated cannabis company and is licensed under the laws of the State of Nevada to cultivate, produce, and sell both medicinal and recreational-use cannabis products within such state.

The Company's registered office is located at 4850 W. Sunset Road, Suite 130, Las Vegas, NV 89118.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34, "Interim Financial Reporting" following the same accounting policies and methods of application as those disclosed in the annual audited financial statements of the Company for the year ended December 31, 2017. These condensed interim consolidated financial statements do not include all notes of the type normally included within the annual audited financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC") in effect for the year then ended.

These financial statements were approved and authorized for issue by the Board of Directors of the Company on June 20, 2018.

(b) Basis of Measurement

These condensed interim financial statements have been prepared on the going concern basis, under the historical cost convention except for certain financial instruments and biological assets that are measured at fair value less costs to sell, as described herein.

(c) 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.

(d) Recent Accounting Pronouncements

The following IFRS standards have been recently issued by the IASB. The Company is assessing the impact of these new standards on future financial statements. Pronouncements that are not applicable or where it has been determined do not have a significant impact to the Company have been excluded herein.

(i) 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.

(ii) 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. The Company does not expect significant impact on its financial statements from the adoption of this new standard.

(Unaudited – in United States dollars)

(iii) 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. The Company does not expect significant impact on its financial statements from the adoption of this new standard.

(iv) IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, *Leases*, which will replace IAS 17, *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15, *Revenue from Contracts with Customers*, at or before the date of initial adoption of IFRS 16. The extent of the impact of adoption of the standard has not yet been determined.

3. INVENTORIES

The Company's inventories is comprised of:

	March 31, 2018	December 31, 2017
Raw Material		
Harvested Cannabis	$ 104,693	$ 171,532
Packaging and miscellaneous	12,523	40,589
Total Raw Material	117,216	212,121
Work in Process	365,458	507,629
Finished Goods	478,712	246,872
Total Inventories	$ 961,386	$ 966,622

(Unaudited – in United States dollars)

4. BIOLOGICAL ASSETS

Biological assets consist of cannabis plants. At March 31, 2018, the changes in the carrying value of biological assets are shown below:

Harvest in Process	March 31, 2018
Balance as at December 31, 2017	$ 2,706,335
Net change in fair value less costs to sell due to biological transformation	2,130,696
Transferred to inventory upon harvest	(2,035,264)
Ending balance	$ 2,801,767

The Company values its biological assets at the end of each reporting period at fair value less costs to sell. 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 also considers the progress in the plant life cycle.

The fair value of biological assets is categorized within Level 3 on the fair value hierarchy. The significant assumptions used in determining the fair value of biological assets include the following:

- The average number of weeks in the growing cycle is twelve weeks from propagation to harvest;
- The average harvest yield of whole flower per plant;
- The average selling price of whole flower per gram;
- Duration of the production cycle,
- The percentage of costs incurred as of this date compared to the total costs expected to be incurred;
- Processing costs include drying and curing, testing and packaging, post-harvest overhead allocation, and oil extraction costs per gram: and
- Selling costs include shipping, order fulfillment, and labelling costs per gram.
- As at March 31, 2018, the weighted average fair value less cost to complete and cost to sell was $5.26 per gram (March 31, 2017 - $5.57 per gram)

The estimates of growing cycle, harvest yield, and costs per gram are based on the Company's historical results. The estimate of the selling price per gram is based on the Company's historical sales in addition to the Company's expected sales price going forward. The Company’s estimates are, by their nature, subject to change. Changes in the anticipated yield will be reflected in future changes in the gain or loss on biological assets. Once biological assets are harvested, they become inventory.

As at March 31, 2018, the biological assets were on average, 30.7% complete (2017 – 57.2%), and are expected to ultimately yield approximately 533kg of cannabis (2017- 337kg); and, the estimated fair value less costs to sell of dry cannabis was $5.26 per gram.

(Unaudited – in United States dollars)

5. PROPERTY AND EQUIPMENT

A reconciliation of the beginning and ending balances of property and equipment is as follows:

	Land	Buildings	Equipment	Leasehold Improvements	Total Capital Assets
Cost					
At December 31, 2016	$ 312,581	$ 1,569,963	$ 840,819	$ 2,109,371	$ 4,832,734
Additions	54,095	128,114	139,625	349,985	671,819
Transfers & disposals	-	-	-	-	-
At December 31, 2017	366,676	1,698,077	980,444	2,459,356	5,504,553
Additions	-	20,425	-	45,300	65,725
Transfers & disposals	-	-	-	-	-
At March 31, 2018	$ 366,676	$ 1,718,502	$ 980,444	$ 2,504,656	$ 5,570,278
Accumulated Depreciation					
At December 31, 2016	$ -	$ 36,169	$ 199,153	$ 321,876	$ 557,198
Additions	-	40,181	242,681	322,577	605,439
Transfers & disposals	-	-	-	-	-
At December 31, 2017	-	76,350	441,834	644,453	1,162,637
Additions	-	10,883	64,817	86,116	161,816
Transfers & disposals	-				-
At March 31, 2018	$ -	$ 87,233	$ 506,651	$ 730,569	$ 1,324,453
Net book value					
At December 31, 2016	$ 312,581	$ 1,533,794	$ 641,666	$ 1,787,495	$ 4,275,536
At December 31, 2017	$ 366,676	$ 1,621,727	$ 538,610	$ 1,814,903	$ 4,341,915
At March 31, 2018	$ 366,676	$ 1,631,269	$ 473,793	$ 1,774,087	$ 4,245,825

Depreciation expense for the three months ended March 31, 2018 and 2017, totaled $161,816 and $146,018, respectively, of which $129,453 and $117,583, respectively, is included in cost of goods sold.

6. NOTES PAYABLE

Notes payable due related parties consisted of the following:

	March 31, 2018	December 31, 2017
Revolving notes payable due members, with deferred interest at 15.0%, compounded monthly, due December 31, 2019	$ 3,310,621	$ 6,526,732

(Unaudited – in United States dollars)

6. NOTES PAYABLE (*Continued*)

Notes payable consisted of the following:

	March 31, 2018	December 31, 2017
Promisory note dated November 4, 2015, with semi-annual interest at 5.0%, secured by deed of trust, due December 1, 2019	884,000	884,000
Equipment financing note payable, due December 20, 2021, with monthly principal and interest of $1,265	54,888	56,072
	$ 938,888	$ 940,072
Less current portion	(14,228)	(14,182)
	$ 924,660	$ 925,890

Stated maturities of debt obligations are as follows:

Next 12 months	$ 14,228
2 years	4,209,149
3 years	14,511
4 years	11,621
	$ 4,249,509

In March 2014, the Company entered into promissory note agreements with its members in order to provide funds to support operations of the Company. The advance period was from March 20, 2014 through December 31, 2017. The promissory notes mature on December 31, 2019 and interest accrues on each advance on the day an advance is made at a rate of 15%. On January 1, 2018, the holders of the notes converted an aggregate of $3,334,304 of principal into 75 million shares of common stock. The holders of the notes hold the right to convert any portion or all of the unpaid principal and accumulated interest to equity of the Company.

The promissory note with outstanding balances at March 31, 2018 of $884,000 is collateralized by a deed of trust on the related land.

(Unaudited – in United States dollars)

7. GENERAL AND ADMINISTRATIVE

For the three month periods, general and administrative expenses were comprised of:

	March 31, 2018	March 31, 2017
Salaries and wages	$ 401,475	$ 184,305
Executive compensation	60,000	48,588
Payroll taxes and benefits	70,255	34,382
Office expenses	12,868	18,141
Professional fees	74,219	41,280
All other general and administrative expenses	492,128	105,357
	$ 1,110,945	$ 432,053

8. SHAREHOLDER'S EQUITY

Effective March 13, 2018, the Company was reorganized as a Nevada Domestic Corporation. In connection therewith, all previous member accounts were eliminated.

9. COMMITMENTS AND CONTINGENCIES

(a) Office and Operating Leases

The Company leases certain business facilities from third parties under operating lease agreements that specify minimum rentals. The leases expire through 2034 and contain renewal provisions. Additionally, certain leases provide for stated rent increases, and rent expense is calculated on a straight-line basis over the terms of the leases with the incentives reported as deferred rent. The Company's net rent expense for the three months ended March 31, 2018 and 2017, was approximately $125,569 and $53,922, respectively.

Certain facilities are occupied under the terms of lease agreements with related parties. The leases expire through 2034 and contain certain renewal provisions. Rent expense under these leases totaled $23,922 and $23,922 for the three months ended March 31, 2018, and 2017, respectively.

Future minimum lease payments under non-cancelable operating leases (including the Planet 13 Super Store, see Note 13) having an initial or remaining term of more than one year are as follows:

Next 12 months	$ 704,337
2 years	1,141,878
3 years	1,190,050
4 years	1,240,527
5 years	1,295,896
Thereafter	4,388,468
	$ 9,961,156

(b) Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulations at March 31, 2018, medical and adult use cannabis regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

(c) 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 March 31, 2018, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company’s 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.

(d) Indemnification

On October 15, 2015, an original member of the Company, Ollehea, LLC, requested that the Company repurchase its interest as allowed under the LLC operating agreement. However, the Company at that time had not begun operations and has not yet generated positive cash flow and, as a result, Ollehea was unwilling to accept a note from the Company in repayment of its interest. Consequently, the remaining members, PRMN Investments LLC and Thirteen LLC, agreed to issue promissory notes to Ollehea on behalf of the Company in the amount of $101,997 each to satisfy the repurchase requirement. In connection therewith, the Company agreed to indemnify and reimburse the remaining members for any payments made to Ollehea under the notes. The notes are due June 1, 2018.

(e) Operating Licenses

Although the possession, cultivation and distribution of marijuana for medical and adult use is permitted in Nevada, marijuana is a Schedule-I controlled substance and its use remains a violation of federal law. Since federal law criminalizing the use of marijuana preempts state laws that legalize its use, strict enforcement of federal law regarding marijuana 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 marijuana is still federally illegal.

(f) Employment Agreements

The Company has employment agreements in place with its Vice President of Sales and Marketing and Vice President of Operations. The Vice President of Sales and Marketing has an annual salary of $120,000 and a commission based bonus structure. The Vice President of Operations has an annual salary of $200,000.

10. RELATED PARTY TRANSACTIONS

The following is a summary of the Company’s related party transactions during the year:

(a) Notes Payable Related Party

The Company has funded a significant portion of its operating expenses and capital asset acquisitions through revolving loans from the Company’s members (Note 6). The following table reflects the changes in amounts due under such revolving loans for the three months ended March 31, 2018:

(Unaudited – in United States dollars)

	March 31, 2018
Balance as at December 31, 2017	$ 6,526,732
Advances	-
Repayments	-
Conversion of notes payable to equity	(3,334,304)
Accrued interest	118,193
	$ 3,310,621

On January 1, 2018, the members converted $3,334,304 of the above notes to equity. The remaining balance of the notes may be converted at the member's option through December 31, 2019 (Note 13).

(b) Building Lease

The Company leases approximately 15,000 square feet of office and production space for the Company's Clark County Cultivation facility from a limited partnership controlled by one of the Company's members. Rents paid under this lease for the three months ended March 31, 2018 and 2017 equaled $23,922 and $23,922, respectively.

(c) Officer Compensation

The Company's officers were paid an aggregate of $135,344 and $109,629 in salary and related employee benefits for the three months ended March 31, 2018 and 2017, respectively. The Company's Co-CEO's have agreed to defer a portion of their agreed-upon salaries since inception. At March 31, 2018, total deferred compensation due such officer's was $241,245.

(d) Other

The Company sub-lets approximately 2,000 square feet of office space and purchases certain printed marketing collateral and stationery items from a company owned by one of its members. Amounts paid to such company for rent for the three months ended March 31, 2018 equaled $24,040 for rent and amounts paid for printed marketing collateral and stationery items equaled $39,574.

11. INCOME TAXES

The components of the income tax provision (benefit) include:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Current	$ 320,594	$ 174,917
Deferred	20,041	544,234
	$ 340,635	$ 719,151

(Unaudited – in United States dollars)

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Instruments

The Company's financial instruments consist of cash, accounts payable; notes payable; and notes payable related parties. The carrying values of these financial instruments approximate their fair values at March 31, 2018 and December 31, 2017.

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 three months ended March 31, 2018 or the year ended December 31, 2017.

The following table summarizes the Company's financial instruments at March 31, 2018:

	Loans and Receivables	Other Financial Liabilities	Total
Financial Assets:			
Cash	$ 493,236	$ -	$ 493,236
Financial Liabilities			
Accounts Payable and Accrued Liabilities	$ -	$ 1,885,105	$ 1,885,105
Current Portion of Notes Payable	$ -	$ 14,228	$ 14,228
Notes Payable, Net of Current Portion	$ -	$ 924,660	$ 924,660
Notes Payable Related Party	$ -	$ 3,310,621	$ 3,310,621

The following table summarizes the Company's financial instruments at December 31, 2017:

	Loans and Receivables	Other Financial Liabilities	Total
Financial Assets:			
Cash	$ 451,869	$ -	$ 451,869
Financial Liabilities			
Accounts Payable and Accrued Liabilities	$ -	$ 1,734,148	$ 1,734,148
Current Portion of Notes Payable	$ -	$ 14,182	$ 14,182
Notes Payable, Net of Current Portion	$ -	$ 925,890	$ 925,890
Notes Payable Related Party	$ -	$ 6,526,732	$ 6,526,732

(Unaudited – in United States dollars)

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes:

(a) Credit Risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure at March 31, 2018 and December 31, 2017 is the carrying amount of cash. The Company does not have significant credit risk with respect to its customers.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

In addition to the commitments outlined in Note 9, the Company has the following contractual obligations:

	<1 Year	1 to 3 Years	3 to 5 Years	Total
Accounts Payable and Accrued Liabilities	$ 1,885,105	$ -	$ -	$ 1,885,105
Notes Payable	$ 14,228	$ 924,660	$ -	$ 938,888
Notes Payable Related Party	$ -	$ 3,310,621		$ 3,310,621

(c) 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 Southern Nevada. 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. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through June 15, 2018, which is the date these financial statements were issued.

RTO Transaction

On April 26 and May 18, 2018, 10653918 Canada Inc. ("Finco") completed a private placement of subscription receipts (the "Subscription Receipts") at a price of C$0.80 (the "Offering Price") per Subscription Receipt for Gross Proceeds of C$25,166,640 (the "Offering"). A total of 24,760,750 Subscription Receipts were sold pursuant to a brokered offering (the "Brokered Offering") conducted by a syndicate of agents (the "Agents") co-led by Beacon Securities Limited ("Beacon") and Canacord Genuity Corp. and including Haywood Securities Inc. for gross proceeds of C$19,808,600. Finco also completed a concurrent non-brokered offering of 6,697,550 Subscription Receipts for gross proceeds of C$5,358,040 on April 26 and May 18, 2018.

On April 26, 2018, MMDC entered into: (i) a definitive share exchange agreement with Carpincho Capital Corp. ("Carpincho"), providing for the acquisition (the "Acquisition") of all of the outstanding shares of MM Development, Inc., successor to MMDC, in exchange for shares of Carpincho following a consolidation of the outstanding common shares of Carpincho on the basis of .875 consolidated common shares for every one (1) outstanding common share (the "Consolidation"); and (ii) a definitive agreement with Finco and a wholly-owned subsidiary of Carpincho ("Subco"), providing for the amalgamation of Subco and Finco be completed following the Acquisition.

Each Subscription Receipt entitles the holder to receive, upon satisfaction of the Escrow Release Conditions (as defined below) on or before the Escrow Release Deadline (as defined below), and without payment of additional consideration, one unit in the capital of Finco (a "Unit"). Each Unit shall consist of one common share (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant") of Finco, which Units shall be exchanged, without further consideration, for one Unit in the capital of Carpincho (the "Resulting Issuer"), following the Consolidation and upon completion of the RTO transaction. Following the exchange for Units of the Resulting Issuer, each Warrant of the Resulting Issuer (a "Resulting Issuer Warrant") shall entitle the holder thereof to acquire one common share of the Resulting Issuer (a "Resulting Issuer Share") at a price of C$1.40 for a period of 24 months following the satisfaction of the Escrow Release Conditions.

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") among Finco, Beacon (on behalf of the Agents), MMDC and Odyssey Trust Company (the "Subscription Receipt Agent"). Pursuant to the Subscription Receipt Agreement, the proceeds from the Offering, less certain expenses incurred therewith (the "Escrowed Funds"), have been placed into escrow pending satisfaction of the following conditions: (i) written confirmation from each of Carpincho, MMDC and Finco that all conditions of the completion of the RTO transaction have been satisfied or waived, other than release of the Escrowed Funds, the Commission (as defined below) and any remaining expenses of the Agents, and that the RTO transaction shall be completed upon release of the Escrowed Funds; (ii) the receipt of all shareholder and regulatory approvals required for the RTO transaction; (iii) the distribution of the Resulting Issuer Shares and the Resulting Issuer Warrants to be issued in exchange for the Common Shares and Warrants pursuant to the Amalgamation following the satisfaction of the Escrow Release Conditions, being exempt from applicable prospectus and registration requirements of applicable Canadian securities laws and not subject to any hold or restricted period thereunder; (iv) the Resulting Issuer Shares and the Resulting Issuer shares underlying the Resulting Issuer Warrants being conditionally approved for listing on the Canadian Securities Exchange; and (v) Finco and Beacon (on behalf of the Agents), having delivered a release notice to the Subscription Receipt Agent in accordance with the terms of the Subscription Receipt Agreement (collectively, the "Escrow Release Conditions").

In connection with the Brokered Offering, the Agents are entitled to be paid a cash commission of 6% of the gross proceeds of the Brokered Offering (the "Commission"), which will be paid out of the Escrowed Funds upon escrow release. In addition, Finco issued the Agents an aggregate of 1,485,645 compensation options ("Compensation Options"). Each Compensation Option is exercisable into one Common Share at the Offering Price for a period of 24 months following the satisfaction of the Escrow Release Conditions. The Compensation Options shall be exchanged for compensation options of the Resulting Issuer on an equivalent basis upon completion of the RTO transaction.

The net proceeds from the Offering shall be used by the Resulting Issuer to (i) fund the construction of a new medical and recreational cannabis dispensary near the Las Vegas Strip; (ii) to construct a greenhouse complex for the cultivation and production of cannabis and cannabis-related products in Beatty, Nevada; and (iii) for working capital and general corporate purposes.

The transaction as described above closed on June 11, 2018. The former shareholders of Carpincho hold approximately 4.4% of the equity of the Resulting Issuer, purchasers of the Offering hold approximately 31.9% of the equity of the Resulting Issuer, and the former shareholders of MMDC, Inc. hold approximately 63.7%.

Conversion of liabilities to RSU's

In April 2018, the Company entered into an agreement to issue 575,000 RSU's to satisfy approximately $388,000 of liabilities.

13. SUBSEQUENT EVENTS (*Continued*)

Conversion of Shareholder debt to equity as part of LLC conversion

On March 14, 2018, MMDC completed a plan of conversion from a Nevada state limited liability company to a Nevada state domestic corporation, MM Development Company, Inc., with the approval of the Nevada State Department of Taxation which oversees licensed cannabis operations in Nevada. Prior to such conversion, on January 1, 2018, the Members converted an aggregate of $3,334,304 of their controlled entity debts to equity in MMDC and our Vice President of Operations contributed valuable intellectual property, including genetic strains, cultivation processes, and manufacturing processes, to MMDC in return for a 6% interest in MMDC.

Planet 13 Super Store Site Lease

On April 23, 2018, MMDC executed a triple-net lease agreement for the premises of the Planet 13 Super Store. The lease commences May 1, 2018 and has a seven-year term with two seven-year renewal options.

Conversion of related party notes to equity

On June 21, 2018, Planet 13 announced that Messrs. Groesbeck and Scheffler, through controlled companies, have fully converted an aggregate of US$3.4 million principal amount and accrued interest of unsecured promissory notes of Planet 13 held by them into an aggregate of 5,532,940 class A restricted shares of Planet (the "Class A Shares"), or 2,766,470 Class A Shares each, at a conversion price of C$0.80 per Class A Share. The 5,532,940 Class A Shares acquired by Messrs. Groesbeck and Scheffler represent approximately 4.7% of the equity of Planet 13.