BAYSWATER URANIUM CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

THREE MONTHS ENDED MAY 31, 2018

Note to Reader:

The following consolidated financial statements of Bayswater Uranium Corporation, as at and for the three months ended May 31, 2018, **DO NOT** reflect the completion of the business combination between the Corporation, a wholly-owned subsidiary of the Corporation, VCP23, Inc., GTI23, Inc. and GTI Finco Inc. and related transactions. (See Note 14 – Subsequent Events for details on the business combination).

These unaudited condensed consolidated interim financial statements of Bayswater Uranium Corporation for the three months ended May 31, 2018 have been prepared by management and approved by the Board of Directors.

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	May 31, 2018	February 28, 2018 (Audited)
ASSETS		
Current		
Cash	$ 388,274	$ 498,087
Marketable securities (Note 4)	-	35,000
UEC warrants (Note 4)	1	215,000
Receivables (Note 5)	29,290	23,916
Prepaids and deposits	-	2,218
	417,565	774,221
Equipment (Note 6)	-	1,107
Exploration and evaluation assets (Note 7)	1	1
	$ 417,566	$ 775,329
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 505,420	$ 747,587
Shareholders' equity (deficiency)		
Capital stock (Note 9)	83,632,678	83,632,678
Subscriptions received (Note 14)	340,000	-
Reserves (Note 9)	16,815,540	16,815,540
Deficit	(100,876,072)	(100,420,476)
	(87,854)	27,742
	$ 417,566	$ 775,329

Nature and continuance of operations (Note 1)
Commitments (Note 11)
Significant transaction (Note 14)

Approved and authorized on behalf of the Board on July 26, 2018:

"Anthony Georgiadis" Director "Peter Kadens" Director

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

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
Three Months ended May 31,

	2018	2017
EXPENSES		
Administration (Note 10)	$ 5,250	$ 5,250
Amortization (Note 6)	1,107	457
Directors' fees (Note 10)	1,563	4,687
Management fees (Note 10)	65,000	15,000
Office and miscellaneous	7,375	3,514
Professional fees (Notes 10)	149,616	12,500
Shareholder communication	8,474	3,919
Transfer agent and filing fees	2,211	2,333
Loss from operations	(240,596)	(47,660)
Foreign exchange gain (loss)	-	(14,164)
Unrealized gain (loss) on marketable securities (Note 4)	-	(7,563)
Unrealized loss on UEC warrants (Note 4)	(215,000)	-
	(215,000)	(21,727)
Loss and comprehensive loss for the year	$ (455,596)	$ (69,387)
Basic and diluted loss per common share	$ (5.45)	$ (0.83)
Weighted average number of common shares outstanding	83,531	83,531

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

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
Three Months ended May 31,

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (455,596)	$ (69,387)
Items not affecting cash:		
Amortization	1,107	457
Unrealized loss on marketable securities	-	7,563
Unrealized loss on UEC warrants	215,000	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(5,374)	5,033
Decrease (increase) in prepaids and deposits	2,218	(9,056)
Increase (decrease) in accounts payable and accrued liabilities	(242,168)	46,236
Net cash used in operating activities	(484,813)	(19,154)
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from sale of marketable securities	35,000	-
Net cash provided by investing activity	35,000	-
CASH FLOWS FROM FINANCING ACTIVITY		
Subscriptions received (Note 14)	340,000	-
Net cash provided by financing activity	340,000	-
Decrease in cash during the period	(109,813)	(74,461)
Cash, beginning of period	498,087	130,900
Cash, end of period	$ 388,274	$ 111,746

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

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited)
(Expressed in Canadian Dollars)

	Number of Common Shares		Capital Stock Amount		Subscriptions Received		Reserves		Deficit		Total
Balance, February 28, 2017	83,531	$	83,632,678	$	-	$	16,749,754	$	(100,839,660)	$	(457,228)
Loss for the period	-		-		-		-		(69,387)		(69,387)
Balance, May 31, 2017	83,531	$	83,632,678	$	-	$	16,749,754	$	(100,909,047)	$	(526,615)
Balance, February 28, 2018	83,531	$	83,632,678	$	-	$	16,815,540	$	(100,420,476)	$	27,742
Subscriptions received	-		-		340,000		-		-		340,000
Loss for the period	-		-		-		-		(455,596)		(455,596)
Balance, May 31, 2018	83,531	$	83,632,678	$	340,000	$	16,815,540	$	(100,876,072)	$	(87,854)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Bayswater Uranium Corporation (incorporated under the laws of the Province of British Columbia) and its wholly-owned subsidiaries ("Bayswater" or the "Company") were engaged in the acquisition and exploration of exploration and evaluation assets. To date, the Company has not earned significant revenues. Subsequent to May 31, 2018, the Company entered into an agreement which has changed the Company's business to the growing and distribution of cannabis and cannabis-related products in the United States (Note 14).

Subsequent to May 31, 2018, the Company consolidated its capital on the basis of 368 common shares for one post-consolidation common share. Unless otherwise stated, all share and per-share amounts have been restated to reflect this share consolidation.

These unaudited condensed consolidated interim financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. The Company has incurred operating losses over the past several years and does not have a current source of revenue or sufficient financial resources to sustain operations in the long term.

While management intends to pursue additional financings and the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The financing activities may include issuances of additional debt or equity securities or disposal of interests in exploration and evaluation assets in order to re-invest the proceeds. During the year ended February 28, 2017, the Company transferred a portion of its ownership interest in the Reno Creek property to settle payables of $2,219,335 (US$1,639,737). During August 2017, the Company sold its interest in the Reno Creek property (Note 7).

The Company's listing was transferred from the TSX Venture Exchange ("TSX-V") to the NEX on September 12, 2017 and traded under the symbol BYU.H as at May 31, 2018. Subsequent to May 31, 2018, the Company delisted from the TSX-V (NEX) and commenced trading on the Canadian Stock Exchange ("CSE") on June 12, 2018 under the symbol GTII.C

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These consolidated financial statements were authorized for issue on July 26, 2018 by the directors of the Company.

Basis of consolidation and presentation

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Basis of consolidation and presentation (cont'd)

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

The Company's wholly-owned subsidiaries are Bayswater Holdings Inc. (incorporated in British Columbia), NCU Holdings Inc. (incorporated in British Columbia), Kilgore Gold Company (incorporated in the United States of America), and NCA Nuclear Inc. (incorporated in the United States of America) and 1167147 B.C. Ltd. (incorporated in British Columbia).

Basis of preparation

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 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 IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended February 28, 2018.

3. NEW ACCOUNTING STANDARDS

New standard IFRS 16 "Leases"

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

Certain other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES AND UEC WARRANTS

As at May 31, 2018, marketable securities consist of shares in publicly-traded companies with an initial cost of \$128,340 (February 28, 2018 - \$128,340) and a fair value of \$Nil (February 28, 2018 - \$35,000). An unrealized loss on marketable securities of \$Nil (2017 – \$7,563) was recorded in the statement of loss and comprehensive loss for the three months ended May 31, 2018.

During the year ended February 28, 2018, the Company received common shares and warrants from Uranium Energy Corp. ("UEC") as part of the sale of its interest in the Reno Creek property. The 409,170 UEC common shares received were valued at \$687,405 on receipt based on share price on the date of receipt. These shares were sold during the year for proceeds of \$958,423. The Company recognized a realized gain of \$271,018 on the sale of these shares. The 308,728 UEC warrants received were valued at \$256,818 on receipt. The warrants were valued using the Black-Scholes pricing model using a volatility of 71.16%, a share price of US\$1.32, an expected life of 5 years and a discount rate of 0.85%. During the three months ended May 31, 2018, the value of these warrants was written down to \$1. As a result of changes in the value of the warrants during the three months ended May 31, 2018, the Company recognized an unrealized loss on UEC warrants of \$215,000 (2017 - \$Nil).

5. RECEIVABLES

The Company's receivables consist of the following:

		May 31, 2018		February 28, 2018
GST receivable	$	29,290	$	23,404
Other (Note 10)		-		512
Total	$	29,290	$	23,916

(Expressed in Canadian Dollars)

6. EQUIPMENT

		Furniture and fixtures		Computer equipment		Exploration equipment		Total
Cost								
Balance, February 28, 2017, 2018 and May 31, 2018	$	9,536	$	84,520	$	24,436	$	118,492
Accumulated amortization								
Balance, February 28, 2017	$	9,230	$	80,887	$	21,046	$	111,163
Amortization		32		2,800		3,390		6,222
Balance, February 28, 2018		9,262		83,687		24,436		117,385
Amortization		274		833		-		1,107
Balance, May 31, 2018	$	9,536	$	84,520	$	24,436	$	118,492
Carrying amounts								
As at February 28, 2018	$	274	$	833	$	-	$	1,107
As at May 31, 2018	$	-	$	-	$	-	$	-

7. EXPLORATION AND EVALUATION ASSETS

Three Months Ended May 31, 2018	Collins Bay Property, Saskatchewan	Reno Creek Project, Wyoming	Total
Acquisition costs			
Balance, beginning and end of period	$ 1	$ -	$ 1
Deferred exploration costs			
Balance, beginning and end of period	-	-	-
Total, end of period	$ 1	$ -	$ 1

Year Ended February 28, 2018	Brudell Property, Saskatchewan	Reno Creek Project, Wyoming	Total
Acquisition costs			
Balance, beginning of year	$ 1	$ 957,156	$ 957,157
Sale of Reno Creek project	-	(957,156)	(957,156)
Balance, end of period	1	-	1
Deferred exploration costs			
Balance, beginning and end of year	-	-	-
Total, end of year	$ 1	$ -	$ 1

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Uranium properties

Investment in Reno Creek Property

During the year ended February 28, 2010, the Company entered into a formal Purchase Agreement (the "Agreement") with Strathmore Resources (US) Ltd. ("Strathmore"), a wholly owned subsidiary of Strathmore Minerals Corp., and American Uranium Corp. ("American"), for the acquisition (the "Acquisition") of a 100% interest in the Reno Creek uranium property, located in northeastern Wyoming (the "Reno Creek Property" or the "Property").

Effective April 7, 2010, the acquisition of the Reno Creek Property was completed through the acquisition of AUC LLC ("AUC"), a limited liability company, in consideration for the aggregate payment of US$20,000,000 ($20,026,000) to Strathmore, of which US$17,500,000 was paid in cash and US$2,500,000 was paid through the issuance of 12,018 common shares of the Company valued at $2,502,150. In consideration for a historical database, rights to a previous permit and in exchange for American's consent to the transaction and termination of its rights pursuant to a previous joint venture on the Property, the Company paid American US$1,000,000 and issued 4,982 common shares of the Company valued at US$1,000,000 ($1,000,860).

The Company executed an investment agreement dated April 7, 2010 pursuant to which Pacific Road Resources Funds ("PRRF"), a private mining equity investor, provided US$20,000,000 in financing to fund the purchase of the Property. The financing consisted of a US$20,000,000 investment into Reno Creek Holdings Inc. ("RCHI") (formerly 514565 Canada Inc. and formerly referred to as "Newco") which held the Property indirectly through AUC LLC. PRRF initially held a 76.92% interest in RCHI and the Company initially held a 23.08% interest in RCHI. The Company's cost of its 23.08% interest totaled $8,250,678, which included an establishment fee of US$700,000 and a finder's fee of US$1,000,000.

Prior to the beginning of the year ended February 28, 2017, the Company's interest held in RCHI was reduced to 9.50% as a result of PRRF completing various investments in RCHI.

Pursuant to a debt settlement agreement dated May 11, 2016, BHI transferred an aggregate of 4,047,321 of its 6,000,000 common shares of RCHI, which shares had previously been pledged to PRRF under prior amendments to the Shareholders Agreement, in settlement of $2,114,143 (US$1,639,737) owing to PRRF. Additionally, the Company waived certain rights of first refusal and first offer under the Shareholders Agreement. As a result of the debt settlement, the Company's interest decreased to 3.09% and was then reduced further to 2.73% as a result of PRRF's additional investment in RCHI during February 2017.

During the year ended February 28, 2017, the Company wrote down its investment in the Reno Creek property by $163,138 to better reflect its estimated recoverable amount to be received on subsequent disposal of the investment.

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Uranium properties (cont'd…)

Investment in Reno Creek Property (cont'd…)

During the year ended February 28, 2018, PRRF entered into a definitive share purchase agreement with Uranium Energy Corp. ("UEC") (closed during August 2017) to sell all of PRRF's issued and outstanding shares of RCHI and, indirectly thereby, 100% of the fully permitted Reno Creek.

The Company owned a 2.73% interest in RCHI and received notice from PRRF whereby PRRF exercised certain drag-along rights requiring the Company to sell its 2.73% interest in RCHI to UEC for prorated consideration identical to the consideration being issued to PRRF.

Under the terms of the agreement, during August 2017, UEC issued to the Company, in return for the Company's 2.73% ownership interest in RCHI, the following:

a) 409,170 common shares of UEC;
b) 308,728 share purchase warrants of UEC, with each warrant entitling the holder to acquire one share of UEC at an exercise price of US$2.30 per share for a period of five years from closing. The warrants will have an accelerator clause that provides that, in the event that the closing price of UEC's common shares on its principally traded exchange is equal to or greater than US$4.00 per share for a period of twenty consecutive trading days, UEC may accelerate the expiry date of the warrants to within thirty days by providing written notice to the holders; and
c) At the Company's election, the payment of US$2,807 in lieu of a 0.01403% net profit interest royalty capped at US$70,166.

In addition, the Company received a further cash payment of US$24,630, representing the Company's entitlement to cash remaining in RCHI as at closing.

All securities issued to the Company were subject to a four-month hold period pursuant to applicable securities legislation, and UEC agreed to register the UEC shares issuable with the U.S. Securities and Exchange Commission for resale in the United States.

Collins Bay Extension and Brudell Property, Saskatchewan

During the year ended February 29, 2016, the Company completed the sale of its CBE property to Nu Nova Energy Ltd. ("Nu Nova"), a private British Columbia company, for gross proceeds totaling $400,000. In conjunction with the sale, the Company incurred $10,920 of legal fees and issued 5,434 common shares (valued at $40,000) and a 2.5% net-smelter-return royalty to CanAlaska as an option agreement break fee. Nu Nova received the right of first refusal to purchase up to a 1.5% net-smelter-return royalty from CanAlaska for $500,000 per 0.5% royalty after production is achieved.

The Company owns a 100% interest in the Brudell property (sold subsequent to May 31, 2018), which remains in good standing.

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

		May 31, 2018		February 28, 2018
Trade payables (Note 10)	$	455,573	$	732,587
Accrued liabilities (Note 10)		49,846		15,000
Total	$	505,419	$	747,587

9. CAPITAL STOCK AND RESERVES

Authorized capital stock

As at May 31, 2018, the authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of Class A convertible preferred shares without par value.

The Company did not issue any common shares during the year ended February 28, 2018 or during the three months ended May 31, 2018.

Subsequent to May 31, 2018, the Company consolidated its capital on the basis of 368 common shares for one post-consolidation common share. Unless otherwise stated, all share and per-share amounts have been restated to reflect this share consolidation.

Stock options

The Company has a stock option plan where the directors are authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the closing price of the Company's shares on the date of grant less any discount permitted by the TSX Venture Exchange ("TSX-V") and vesting terms are at the discretion of the board of directors. The options can be granted up to a maximum term of 10 years.

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, February 29, 2016 and February 28, 2017	10,613	$	36.80
Granted	8,152		17.51
Expired	(10,613)		18.40
Balance, February 28, 2018 and May 31, 2018	8,152*		17.51
Number of options currently exercisable	8,152*	$	17.51

*Subsequent to May 31, 2018, the Company cancelled all outstanding options (Note 16).

(Expressed in Canadian Dollars)

9. CAPITAL STOCK AND RESERVES (cont'd…)

Warrants

As at May 31, 2018, the Company had no outstanding share purchase warrants.

No share purchase warrants were issued during the year ended February 28, 2018 or the three months ended May 31, 2018.

10. RELATED PARTY TRANSACTIONS

During the three months ended May 31, 2018, the Company:

a) Paid or accrued $65,000 (2017 - $15,000) for management fees (of which $60,000 related to change of control obligations – Note 11) to the current CEO of the Company.

b) Paid or accrued $5,250 (2017 - $5,250) for administration fees and $105,669 (2017 - $7,500) for professional fees (of which $76,000 related to change of control obligations – Note 11) to a company associated with two officers of the Company.

c) Accrued $1,563 (2017 - $4,687) for director fees.

Included in accounts payable and accrued liabilities at May 31, 2018 is $405,689 (February 28, 2018 - $465,003) owing to a company controlled by the former CEO of the Company, to the current CEO of the Company, to directors of the Company and to a company controlled by an officer of the Company, all related to the above transactions and for directors' fees.

The remuneration of directors and key management personnel during the three months ended May 31, 2018 and May 31, 2017 are as follows:

	2018	2017
Administration fees	$ 5,250	$ 5,250
Directors' fees	1,563	4,687
Change of Control obligations (Note 11)	136,000	-
Management fees	5,000	15,000
Professional fees	29,669	7,500
	$ 177,482	$ 32,437

11. COMMITMENTS

During the year ended February 28, 2014, the Company entered into a management services agreement and various consulting agreements with the Company's CEO and consultants with remuneration of $10,000 (amended to $5,000 per month commencing March 1, 2016) and $5,733 per month, respectively. During May 2018, the Company terminated these agreements. As a result, the Company recorded an obligation to pay $136,000 as at May 31, 2018.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The Company's other financial instruments, being cash and marketable securities, are measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts.

The Company's receivables consist mainly of GST receivable due from the government of Canada (Note 5).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable relating to exploration and evaluation assets and other accounts payable and accrued liabilities are due within one year.

The Company has a working capital deficiency as at May 31, 2018 of $87,855 (February 28, 2018 – working capital position of $26,634).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) 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 risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments is minimal because these investments roll over daily.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Market risk (cont'd…)

b) Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States. The Company funds cash calls to its subsidiary companies outside of Canada in US dollars. The greatest risk is the exchange rate of the Canadian dollar relative to the US dollar and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. At May 31, 2018, the Company's exposure to currency risk has been assessed to be nominal.

c) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly uranium. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

The Company currently maintains investments in certain marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its resource properties. The Company relies mainly on equity issuances to raise new capital and on entering joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates in effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund costs relating to the financing of the investment in the Reno Creek Property and fund its exploration programs. These financing activities may include issuances of additional debt or equity securities or disposal of resource property interests in order to re-invest the proceeds.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

13. SEGMENTED INFORMATION

The primary business of the Company is the acquisition and exploration of resource properties. The Company's sole exploration property is located in Canada.

14. SUBSEQUENT EVENTS

Business Combination

Subsequent to May 31, 2018, the Company completed a business combination in which it ultimately acquired, among others, VCP23, LLC (carrying on business as Green Thumb Industries ("GTII")), a United States-based company involved in the growing and distribution of cannabis and cannabis-related products in the United States and GTI Finco Inc. ("Finco") for a combination of Super Voting Shares, Multiple Voting Shares and Subordinate Voting Shares.

The acquisition of the target constituted a change of business for the Company and, consequently,:

1. The Company disposed of its remaining uranium-based assets.
2. The Company delisted from the TSX Venture Exchange and relisted on the Canadian Securities Exchange.

In conjunction with the business combination, and as conditions to closing, the Company agreed to the following:

- Cancelled all outstanding options to purchase shares;
- Cancelled all management contracts and compensation agreements with directors and officers;
- Replaced the Company's board of directors with representatives nominated by GTII and changed the Company's management;
- Disposed of its four subsidiary companies (and thereby disposed of its remaining uranium-based assets);
- Completed a non-brokered private placement of $620,000 ($340,000 received as at May 31, 2018) through the issuance of 84,239 shares at a price of $7.36 per share. The proceeds of the private placement will be used toward anticipated costs of the transaction with the target, and the settlement of certain of the Company's debts;
- Consolidated its issued and outstanding common shares on a 1-to-368 basis;
- Re-classified its post-consolidation common shares as Subordinate Voting Shares and created Super Voting Shares and Multiple Voting Shares;
- Settled the balance of its outstanding liabilities; and
- Paid finders' fees to certain parties.

In addition, Finco (a special purpose corporation wholly- owned by VCP), completed a brokered and a non-brokered private placement of subscription receipts at a price of $7.75 per subscription receipt for aggregate gross proceeds of approximately $87,000,000. Pursuant to the business combination, each subscription receipt was ultimately exchanged for one Subordinate Voting Share.

The Company obtained all necessary regulatory and shareholder approvals.

14. SUBSEQUENT EVENTS (cont'd…)

Prospectus Offering

During July 2018, the Company entered into an agreement with a syndicate of underwriters co-led by Canaccord Genuity Corp. and GMP Securities LP, pursuant to which the underwriters will purchase, on a bought deal basis, pursuant to the filing of a short form prospectus, an aggregate of 7.3 million subordinate voting shares of the Company at a price of $11.00 per offered security for aggregate gross proceeds of $80,300,000.

The Company has agreed to grant the underwriters an overallotment option to purchase up to an additional 1,095,000 offered securities at the offering price, exercisable in whole or in part, at any time, and from time to time, on or prior to the date that is 30 days following the closing of the offering.

The common shares will be offered by way of a short form prospectus to be filed in all provinces of Canada (except Quebec). The Company intends to use the net proceeds from the offering for business development, including the acquisition of one of ten licences in the regulated New York cannabis market and the buildout of five dispensaries in Ohio pursuant to licences awarded by the Ohio State Board of Pharmacy in June, 2018, and for working capital and general corporate purposes.

The offering is subject to certain conditions, including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange and the applicable securities regulatory authorities.