Mezzotin Minerals Inc.

Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Nine Months ended September 30, 2018
(Expressed in Canadian Dollars)

Mezzotin Minerals Inc.

Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2018 Unaudited	December 31, 2017 Audited
Assets		
Current Assets		
Cash	**$ 27,587**	$ 63,269
Amounts receivable and other assets	**23,047**	15,292
Total Current Assets	**50,634**	78,561
Non-Current Assets		
Property and equipment (note 5)	**161,146**	183,683
Exploration and evaluation assets (note 6)	**-**	529,681
Total Assets	**$ 211,780**	$ 791,925
Liabilities		
Current Liabilities		
Trade payables and accruals (note 7)	**$ 319,117**	$ 266,997
Notes payable related party (notes 8, 9, 12)	**37,539**	-
Due to government agencies	**-**	40,771
Total Current Liabilities	**356,656**	307,768
Loan Payable (note 9)	**-**	445,321
Total Liabilities	**356,656**	753,089
Shareholders' Equity		
Share capital (note 10)	**3,798,227**	3,397,479
Other capital reserve	**649,725**	649,725
Foreign currency translation reserve	**139,776**	136,037
Deficit	**(4,732,604)**	(4,144,405)
Total Shareholders' Equity	**(144,876)**	38,836
Total Liabilities and Shareholders' Equity	**$ 211,780**	$ 791,925

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

Mezzotin Minerals Inc.

Unaudited Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
For the Three and Nine Months Ended September 30
(Expressed in Canadian Dollars)

	Three Months		Nine Months	
	2018	2017	**2018**	2017
Operating Expenses				
Consulting fees	**$ 10,500**	$ 12,250	**$ 38,500**	$ 35,000
Professional fees	**16,870**	17,688	**69,978**	35,089
Salaries and wages	**9,712**	5,558	**23,366**	17,393
Regulatory and shareholder	**(3,223)**	6,984	**21,021**	25,251
General and administrative	**6,216**	11,974	**22,686**	23,693
Loss on disposal of property	**380,537**	-	**380,537**	-
Depreciation	**8,434**	9,973	**26,439**	32,886
Total operating expenses	**429,046**	64,427	**582,527**	169,312
Operating loss	**(429,046)**	(64,427)	**(582,527)**	(169,312)
Other Income and expenses				
Rental income	**-**	(2,819)	**-**	(8,822)
Finance income	**-**	-	**-**	(53)
Interest expense	**2,215**	1,143	**5,672**	2,732
Total other income	**2,215**	(1,676)	**5,672**	(6,143)
Net loss	**(431,261)**	(62,751)	**(588,199)**	(163,169)
Other Comprehensive Income				
Foreign currency translation gain (loss)	**(10,080)**	(12,103)	**3,739**	(32,733)
Comprehensive loss	**$ (441,341)**	$ (74,854)	**$ (584,460)**	$ (195,902)
Loss per share	**$ (0.008)**	$ (0.001)	**$ (0.011)**	$ (0.003)
Weighted average number of shares outstanding - basic and diluted	**56,994,069**	48,979,100	**52,737,034**	48,979,100

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

Mezzotin Minerals Inc.

Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity

For the Nine Months ended September 30

(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Number	Amount	Other Capital Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance as at January 1, 2018	**48,979,100**	**$ 3,397,479**	**$ 649,725**	**$ 136,037**	**$ (4,144,405)**	**$ 38,836**
Conversion of debt for share capital	**8,014,969**	**400,748**				**400,748**
Foreign currency translation differences in period				**3,739**		**3,739**
Net loss in period					**(588,199)**	**(588,199)**
Balance as at September 30, 2018	**56,994,069**	**$ 3,798,227**	**$ 649,725**	**$ 139,776**	**$ (4,732,604)**	**$ (144,876)**
Balance as at January 1, 2017	48,979,100	$ 3,397,479	$ 649,725	$ 156,700	$ (3,938,219)	$ 265,685
Foreign currency translation differences in period				(32,733)		(32,733)
Net loss in period					(163,170)	(163,170)
Balance as at September 30, 2017	48,979,100	$ 3,397,479	$ 649,725	$ 123,967	$ (4,101,389)	$ 69,782

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

Mezzotin Minerals Inc.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the Three and Nine Months Ended September 30

(Expressed in Canadian Dollars)

	Three Months		Nine Months	
	2018	2017	**2018**	2017
Cash Flows from Operating Activities				
Net loss	**$ (431,261)**	$ (62,751)	**$ (588,199)**	$ (163,169)
Adjustments for non-cash operating items				
Depreciation	**8,434**	9,973	**26,439**	32,886
Loss on disposal of property and equipment	**380,537**	-	**380,537**	-
	(42,290)	(52,778)	**(181,223)**	(130,283)
Changes in non-cash items operating activities				
Amounts receivable and other assets	**(1,982)**	(7,246)	**(3,609)**	(5,412)
Trade and other payables	**(2,133)**	25,115	**8,285**	37,079
Cash used in operating activities	**(46,405)**	(34,909)	**(176,547)**	(98,616)
Cash Flows from Investing Activities				
Proceeds on disposal of mining rights	**160,038**	-	**160,038**	-
Cash used in investing activities	**160,038**	-	**160,038**	-
Cash Flows from Financing Activities				
Increase in loan payable (Note 9)	**-**	59,702	**-**	125,771
Conversion of loan payable to share capital (Note 10)	**-**	-	**(400,748)**	-
Repayment of loan payable (Note 9)	**(51,212)**	-	**(51,212)**	-
Increase in note payable (Note 8)	**-**	-	**140,020**	-
Repayment of note payable (Note 8)	**(108,826)**	-	**(108,826)**	-
Deferred interest on note and loan	**2,215**	1,143	**5,672**	2,732
Share capital (note 10)	**-**	-	**400,748**	-
Cash used in financing activities	**(157,823)**	60,845	**(14,346)**	128,503
Net increase (decrease) in cash	**(44,190)**	25,936	**(30,855)**	29,887
Effect of exchange rate changes on cash denominated in a foreign currency	**(3,020)**	(247)	**(4,827)**	(3,181)
Cash, beginning of period	**74,797**	61,996	**63,269**	60,979
Cash, end of period	**$ 27,587**	$ 87,685	**$ 27,587**	$ 87,685

1. Nature of Operations and Going Concern

Mezzotin Minerals Inc. ("Mezzotin" or the "Company") was incorporated as Zoolander Corporation on October 27, 2005 by Certificate of Incorporation issued under the Business Corporations Act (Ontario). The Company acquired all of the issued and outstanding shares of Adsani Exploration (Proprietary) Limited ("Adsani"), a private company incorporated on February 24, 2000 under the laws of the Republic of South Africa, which included its wholly-owned subsidiary Mezzotin Investments (Private) Limited ("Mezzotin ZIM"), a private company incorporated on January 10, 2000 under the laws of Zimbabwe in exchange for the issuance of 20,000,000 common shares of the Company. The shareholders of the Company approved the name change to Mezzotin Minerals Inc. on September 10, 2013.

Mezzotin's common shares are listed on NEX board of the TSX Venture Exchange under the symbol "MEZZ.H". The Company did not meet the Exchange's continued listing requirements for a Tier 2 issuer on the Venture Exchange and effective October 27, 2017 the Company's listing was transferred to the NEX board. NEX is a separate board of the TSXV for companies previously listed on the TSXV or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets.

The Company's registered office and the principal place of business is located at 150 York Street, Suite 1600, Toronto, Ontario, M5H 3S5.

The Company has been a Canadian-based mineral exploration company focused on the exploration for and development of mineral deposits in Africa. On May 9, 2018 the Company announced a definitive agreement for the sale of the Sabi Star properties to a Zimbabwean subsidiary of Max Mind Investment Limited for US$125,000. The transaction was subject to several conditions including regulatory approval, independent valuation and approval by the shareholders of Mezzotin Minerals Inc. The transaction was completed on September 28, 2018 resulting in a loss of $380,537 being the difference between the carrying value of the asset and the proceeds. The proceeds from the sale of the property were applied against loans and notes payable.

On April 10, 2018 the Company entered into an agreement with Max Mind Investment Limited (Max Mind) whereby the Company issued 8,014,969 common shares at a deemed price of $0.05 per share to settle a portion of the indebtedness owing to Max Mind, including principal and accrued interest, totaling $400,748 (US$314,831) advanced pursuant to the December 30, 2015 Loan Agreement. All share issued under the debt settlement agreement are subject to a four month hold period. Regulatory approval for this transaction was received and the shares were issued on May 25, 2018. Upon completion of the debt settlement, Max Mind controls approximately 14.1% of the 56,994,069 outstanding common shares of the Company.

On November 13, 2018, the Company announced that it has entered into a binding letter agreement (the "Letter Agreement") with Salinas, California-based Indus Holding Company ("Indus"), a vertically integrated cannabis company with world-class production capabilities, including cultivation, extraction, manufacturing, brand sales & marketing, and distribution. The Letter Agreement outlines the proposed terms and conditions pursuant to which Mezzotin and Indus will effect a business combination that will result in a reverse takeover of Mezzotin by the security holders of Indus. (See Note 14 – Subsequent Events).

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company continues to incur losses and has an accumulated deficit of $4,732,604 at September 30, 2018. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to fulfill its obligations as they arise and repay its liabilities when they become due.

1. Nature of Operations and Going Concern (cont'd)

External financing, predominantly by the issuance of equity or debt may be sought to finance the operations of the Company. There is no assurance that the Company will be successful at these initiatives. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

2. Statement of Compliance

These unaudited condensed interim consolidated financial statements (the "Interim Statements") have been prepared in accordance International Financial Reporting Standard 34, *'Interim Financial Reporting'* ("IAS 34") as issued by the International Accounting Standards Review Board ("IASB").

These Interim Statements should be read in conjunction with the audited consolidated financial statements of Mezzotin Minerals Inc. for the years ended December 31, 2017 and 2016.

These Interim Statements we authorized for issuance by the Board of Directors of the Company on November 29, 2018.

3. Significant Accounting Policies

Basis of preparation and presentation
In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

Basis of consolidation
These consolidated financial statements include the accounts of the Company and entities over which it has control including its wholly-owned legal subsidiary, Adsani and Adsani's wholly-owned subsidiary Mezzotin ZIM. All material intercompany transactions and related balances are eliminated on consolidation.

Functional and presentation currency
Items included in the financial statements of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company's subsidiaries is the United States Dollar. The consolidated financial statements are presented in Canadian Dollars, which is the Company's functional currency.

The assets and liabilities of the subsidiaries that have a functional currency different from that of the Company are translated into Canadian dollars at the closing rate at the date of the statement of financial position, and income and expenses are translated at the average rate for the year, which represents a reasonable approximation of the exchange rates at the date of the transactions. Foreign exchange gains or losses resulting from the translation are recognized in other comprehensive income and included in the foreign currency translation reserve in the shareholders' equity.

Transactions in currencies which are not the Company's functional currency are translated to the functional currency at exchange rate at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate at the date of the statement of financial position, and non-monetary items are translated at historical rates of exchange.

3. Significant Accounting Policies (cont'd)

Property and equipment
Property and equipment are recorded at acquisition cost less depreciation and accumulated impairment losses.

Where an item of property and equipment comprises significant components with different useful lives, the components are accounted for as separate items (major components) of plant and equipment.

Depreciation is provided at rates calculated to write-off the cost of these assets commencing when available for use, less the estimated residual value, over their estimated useful lives, for the following classes of assets:

	Method	Rate
· Exploration equipment	Declining balance	20%
· Vehicles	Declining balance	20%

Exploration and evaluation assets
The Company was in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all initial and subsequent costs relating to the acquisition of, exploration for and development of mineral claims. Such costs include, but are not exclusive to, materials used, surveying costs, geological and geophysical studies, exploratory drilling and sampling, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation, including general and administrative overhead costs, are expensed in the period in which they occur. Capitalization of costs commences once the Company has obtained legal rights to explore a specific area.

The Company has sold its mineral property rights and has recognized a loss being the difference between the carrying value and the proceeds (Note 6).

4. New Accounting Standards and Interpretations

The following amendments were adopted by the Company in the fiscal year:

IFRS 9, Financial Instruments
IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard address classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 will be effective as at January 1, 2018, with early adoption permitted. The implementation of this standard will have no material impact on its financial results.

4. New Accounting Standards and Interpretations (cont'd)

IFRS 15, Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 to replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The implementation of this standard will have no material impact on its financial results.

IFRS 16, Leases
IFRS 16 was issued in January 2016, replaces IAS 17, Leases. IFRS 16 results in most leases being reported on the balance sheet for lessees, eliminating the distinction between a finance lease and an operating lease and is effective for annual periods beginning on or after January 1, 2019. Under IFRS 16, all operating leases, except for short term and low value leases, are expected to be accounted for as finance leases. IFRS 16 also does not apply to leases to explore for or use mineral, oil, natural gas and similar non-regenerative resources. The implementation of this standard will have no material impact on its financial results.

Amendments to IFRS 2, Share-based Payments
The amendments add guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments. The amendments are effective for annual periods beginning on or after January 1, 2018, early adoption is permitted. The Company does not have any share-based payments in the form or options or warrants outstanding and believes the amendments will not have a material effect on the financial reporting of the Company.

IFRIC 22, Foreign Currency Transactions and Advance Considerations
The Interpretations Committee of the IASB has issued IFRIC 22 which clarifies the accounting for transactions that include the receipt or payment in a foreign currency in advance consideration. The interpretation covers the foreign currency translations when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. IFRIC 22 is effective for annual reporting periods beginning on or after January 1, 2018, earlier adoption is permitted. The implementation of this standard will have no material impact on its financial results.

5. Property and Equipment

Cost		Exploration Equipment		Vehicles		Total
Balance January 1, 2018	$	216,420	$	163,015	$	379,435
Additions (disposals) in period		-		-		-
Foreign currency translation		(8,591)		(6,472)		(15,063)
Balance March 31, 2018		207,829		156,543		364,372
Additions (disposals) in period		-		-		-
Foreign currency translation		4,416		3,327		7,743
Balance June 30, 2018		212,245		159,870		372,115
Additions (disposals) in period		-		-		-
Foreign currency translation		(5,883)		(4,432)		(10,315)
Balance September 30, 2018	$	206,362	$	155,438	$	361,800
Accumulated Depreciation						
Balance January 1, 2018	$	94,069	$	76,758	$	170,827
Depreciation (disposals) in period		5,368		3,750		9,118
Foreign currency translation		2,714		2,203		4,917
Balance March 31, 2018		102,151		82,711		184,862
Depreciation (disposals) in period		5,232		3,655		8,887
Foreign currency translation		2,244		1,811		4,055
Balance June 30, 2018		109,627		88,177		197,804
Depreciation (disposals) in period		4,811		3,623		8,434
Foreign currency translation		(3,098)		(2,486)		(5,584)
Balance September 30, 2018	$	111,340	$	89,314	$	200,654
Net Book Value						
As at September 30, 2018	$	95,022	$	66,124	$	161,146
As at September 30, 2017	$	111,353	$	77,794	$	189,147

6. Exploration and Evaluation Assets

The Company owned a 100% interest in the Sabi Star Property held by Mezzotin ZIM, through its wholly-owned subsidiary, Adsani. The property is comprised of 30 rare earth exploration permits covering a total of 2,348 hectares located in Eastern Zimbabwe, approximately 180 kilometers from Harare, Zimbabwe, approximately 250 kilometers from the border of South Africa. The property is located on the Odzi Gold Belt, a known mineralization belt having historically produced gold, copper, tin, tantalum, niobium and diamonds.

On May 9, 2018 the Company announced a definitive agreement for the sale of the Sabi Star properties to a Zimbabwean subsidiary of Max Mind Investment Limited for US$125,000. The transaction was subject to a number of conditions including regulatory approvals, independent valuation and approval by the shareholders of Mezzotin Minerals Inc.

As at September 28, 2018, the Company had satisfied all the conditions and received the requisite approvals and the transfer was completed. The Company recorded a loss on the disposal of the properties of $380,537 being the difference between the carrying value of the asset and the sales proceeds, expressed in Canadian dollars. (see Note 8 – Note Payable)

7. Trade Payables and Accruals

		September 30, 2018		December 31, 2017
Falling due within the year:				
Trade payables	**$**	**279,115**	$	255,077
Accrued liabilities		**40,002**		52,691
	$	**319,117**	$	307,768

Trade payables generally have payment terms of up to 30 days. Included in trade payables at September 30, 2018 and December 31, 2017 are $65,478 of payables recorded prior to 2013 which are statute barred under the Limitations Act (Ontario). The amount is included in current liabilities reflecting the original accounting for the transactions. Under IFRS, a debt can only be removed from the Company's Statement of Financial Position when it is extinguished meaning only when the contract is discharged, cancelled or expires.

8. Notes Payable

On March 6, 2018, the Company has issued a Promissory Note to Max Mind Investment Limited in the amount of US$50,000. The note is unsecured, payable on demand and bears interest at 5% per annum.

On June 11, 2018 the Company issued a second Promissory Note to Max Mind Investment Limited in the amount of US$60,000 under the same terms and conditions as the first.

The proceeds of US$125,000 from the sale of the properties (Note 6) was applied against the balance of US$40,000 Loan Payable outstanding under the Loan Agreement and the balance of US$85,000 against the Notes Payable. As of September 30, 2018, the balance remaining owing on the Notes Payable was US$25,000 or $32,008 plus accrued interest of $5,532.

Following the Debt Settlement Agreement concluded on May 25, 2018, Max Mind is considered a related party, owning approximately 14.1% of the common shares of the Company. (see Note 12 - Related Party Transactions)

9. Tribute Agreement and Loan Payable

On December 30, 2015, Mezzotin ZIM (the "Grantor") entered into a Tribute Agreement (the "Agreement") whereby the rights to extract and sell minerals from the Company's properties would be licensed to a third party (the "Tributor"). In return, the Grantor would receive a royalty of 20% of pre-tax profits from commercial mining operations, as defined in the Agreement, from the Tributor. The Agreement is for a period of five years with an option to extend for an additional five years and is subject to all necessary regulatory approvals.

As part of the Tribute Agreement transaction, the Company entered into a Loan Agreement (the "Loan Agreement") also on December 30, 2015 with Max Mind Investment Limited ("Max Mind") a company related to the Tributor. Under the terms of the Loan Agreement, the Company enjoyed a credit facility with Max Mind and at its peak borrowing, had drawn US$350,000 against the limit of US$500,000.

With the sale of the property rights in September 2018, the Tribute Agreement was terminated. On May 25, 2018, the Company issues common shares to Max Mind Investment Limited to settle US$310,000 of the funds advanced under the Loan Agreement plus accrued interest of US$4,831. With the proceeds from the sale of the property rights in September 2018, the Company retired the remaining US$40,000 outstanding on the original Loan Payable.

10. Share Capital

Authorized share capital
Unlimited number of common shares

Issued and outstanding share capital
Issued share capital for the periods were as follows:

	Number of Shares		Amount
Balance as at January 1, 2018	48,979,100	$	3,397,479
Shares issued May 25, 2018 on conversion of debt	8,014,969		400,748
Balance as at September 30, 2018	56,994,069	$	3,798,227

On April 10, 2018, the Company entered into an agreement, with Max Mind Investment Limited (Max Mind) whereby the Company would issue 8,014,969 common shares at a deemed price of $0.05 per share to settle a portion of the indebtedness owing to Max Mind, including principal and accrued interest, in the amount of $400,748 (US$314,831) advanced pursuant to the December 30, 2015 Loan Agreement. Regulatory approval for the transaction was received and the shares were issued on May 25th, 2018. Upon the issuance of the shares, Max Mind holds approximately 14.1% of the total 56,994,069 outstanding common shares of the Company. All share issued under the debt settlement agreement are subject to a four month hold period

Stock Options and Warrant
In the three and nine months ended September 30, 2018 and 2017, the Company did not issue any stock options or warrants. As of September 30, 2018, and December 31, 2017, the Company had no stock options or warrants outstanding.

11. Capital Management

The Company's objectives when managing its liquidity and capital are as follows:

a) to safeguard the Company's ability to continue as a going concern such that it can continue in its exploration activities to provide returns to shareholders and benefits to other stakeholders.
b) to secure sufficient cash and cash equivalents to fund the Company's business plans, including the exploration activities required for the development of its mineral property interests.

The Company considers the loan payable and the items included in shareholders' equity in the definition of capital.

The Company's primary uses of capital are to finance the exploration and property development activities required on its mineral properties, market and investor development, capital expenditures and other business expenses.

Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the three and nine months ended September 30, 2018 and 2017.

As at September 30, 2018 the Company is not subject to any externally imposed capital requirements.

12. Related Party Transactions

Related parties include the Board of Directors and officers of the Company and its subsidiaries including close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. It also includes any party not included above who may hold more than 10% of the common equity of the Company.

Following is a summary of the related party transactions for the three and nine months ended September 30, 2018 and the corresponding amounts for the prior year:

a) In the three and nine months ended September 30, 2018 the Company incurred costs of $10,500 and $38,500, respectively (2017 - $10,500 and $31,500 respectively) for executive and management services to a company controlled by an officer of the Company. The amounts are included in Consulting Fees.

b) On September 28, 2018 the Company concluded the sale of the Sabi Star properties to a company related to Max Mind Investment Limited, a company that owns more than 10% of the common shares of the Company. The transaction was in negotiation prior to Max Mind taking an equity position in the Company but closed after the debt conversion. The purchase price of US$125,000 was supported with independent valuations and the Board is satisfied it received full value for the properties. The proceeds from the sale of the properties were used to retire debt owing to Max Mind.

c) In the three and nine months ended September 30, 2018, the Company incurred interest expense of $2,215 and $5,672, respectively, compared with $1,143 and $2,732, respectively in the corresponding periods of the prior year on loans from a party related by virtue of its shareholdings.

13. Contingencies

In the three months ended September 30, 2018 Mezzotin ZIM received notification that its appeal of an assessment of interest in the amount of US$23,208 on unpaid duties was successful. The Company had been assessed duties with respect to the purchase of certain equipment and vehicles. The original assessment of duties has been disputed by the Company but after all appeals were exhausted, the duties were paid. The Zimbabwe Revenue Agency (ZIMRA) then assessed interest for the period the duties were being disputed and it is this interest that has been formally waived.

14. Subsequent Events

On November 13, 2018, the Company announced that it has entered into a binding letter agreement (the "Letter Agreement") with Salinas, California-based Indus Holding Company ("Indus"), a vertically integrated cannabis company with world-class production capabilities, including cultivation, extraction, manufacturing, brand sales & marketing, and distribution. The Letter Agreement outlines the proposed terms and conditions pursuant to which Mezzotin and Indus will effect a business combination that will result in a reverse takeover of Mezzotin by the security holders of Indus.

Completion of the Proposed Transaction is subject to a number of conditions, including, without limitation, receipt of all necessary shareholder, third party and regulatory approvals, satisfactory completion of due diligence, the execution of definitive transaction documents, the delisting of the common shares of Mezzotin from the NEX Board of the TSX Venture Exchange and conditional approval to list the equity shares (the "**Resulting Issuer Shares**") of the issuer resulting from the Proposed Transaction (the "**Resulting Issuer**") on the Canadian Securities Exchange (the "**CSE**").