MOUNTAIN VALLEY MD™

LISTING STATEMENT - FORM 2A

IN CONNECTION WITH THE LISTING OF THE SHARES OF MOUNTAIN VALLEY MD HOLDINGS INC., THE ENTITY FORMERLY KNOWN AS MEADOW BAY GOLD CORPORATION AFTER THE REVERSE TAKEOVER BY MOUNTAIN VALLEY MD INC.

February 20, 2020

Neither the Canadian Securities Exchange nor any securities regulatory authority has in any way passed upon the merits of the reverse takeover transaction described in this Listing Statement.

Cautionary Note Regarding Forward-Looking Statements

The information provided in this Listing Statement, including information incorporated by reference, may contain "forward-looking statements" about Meadow Bay, MVMD, Subco and/or the Resulting Issuer (each as hereinafter defined). In addition, the Resulting Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Resulting Issuer or in respective of Meadow Bay, the Resulting Issuer or MVMD that address activities, events or developments that are expected or anticipated to occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

(a) the regulation of the medical and/or recreational cannabis industry;

(b) the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and

(c) other risks described in this Listing Statement and described from time to time in documents filed by the Resulting Issuer with Canadian securities regulatory authorities.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, with respect to expectations and assumptions concerning: (i) receipt of required regulatory approvals in a timely manner or at all; (ii) receipt and/or maintenance of required licenses and third party consents in a timely manner or at all; and (iii) the success of the operations of the Resulting Issuer.

Although the Resulting Issuer believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the availability of sources of income to generate cash flow and revenue; the dependence on management and directors; risks relating to the receipt of the required licenses, risks relating to additional funding requirements; due diligence risks; exchange rate risks; potential transaction and legal risks; risks relating to laws and regulations applicable to cannabis and related products; and other factors beyond the Resulting Issuer's control, as more particularly described under the heading "*Risk Factors*" in this Listing Statement.

Consequently, all forward-looking statements made in this Listing Statement and other documents of Meadow Bay, the Resulting Issuer, or MVMD, as applicable, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Resulting Issuer. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Resulting Issuer and/or persons acting on its behalf may issue. The Resulting Issuer undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

Date of Information

The information in this Listing Statement is as at February 20, 2020, unless otherwise noted.

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third-party sources, including industry publications. The Resulting Issuer believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third-party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Currency

Unless otherwise indicated, all references to "$" in this Listing Statement refer to Canadian dollars.

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GLOSSARY OF TERMS

In this Listing Statement, the following terms shall have the respective meanings set out below, unless otherwise defined herein or unless there is something in the subject matter inconsistent therewith.

"**098**" means 0987182 B.C. Ltd., (formerly Pura Vida Medical Marihuana Incorporation), a company incorporated pursuant to the laws of the Province of British Columbia and a wholly owned subsidiary of MVM.

"**2700915**" or "**Subco**" means 2700915 Ontario Inc., a corporation incorporated pursuant to the laws of the Province of Ontario and a wholly owned subsidiary of Meadow Bay.

"**2656065**" means 2656065 Ontario Limited, a corporation incorporated pursuant to the laws of the Province of Ontario.

"**Acquisition**" means the acquisition of all issued and outstanding MVMD Shares by Meadow Bay by way of the Amalgamation.

"**Amalgamation**" means the three-cornered amalgamation involving Meadow Bay, 2700915 and MVMD pursuant to the Amalgamation Agreement.

"**Amalgamation Agreement**" means the amalgamation agreement dated June 27, 2019 made among Meadow Bay, MVMD and 2700915, a copy of which is available on SEDAR at www.sedar.com.

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder.

"**Atlanta Project**" means the Atlanta Gold Mine Project in Lincoln County, Nevada previously held by Meadow Bay through Desert Hawk.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) as amended, including the regulations promulgated thereunder.

"**Board**" or "**Board of Directors**" means the board of directors of Meadow Bay.

"**Bridge Loan Financing**" means the bridge loan financing which completed on July 12, 2019 in which Meadow Bay raised gross proceeds of $350,000 by way of the sale of 350 Convertible Debenture Units to MVMD.

"**Business**" means, in the case of Meadow Bay, the business of Meadow Bay and its subsidiaries as it is currently conducted, and, in the case of MVMD, means the business of MVMD and its subsidiaries as it is currently conducted.

"**Business Day**" means any day, which is not a Saturday, a Sunday or a statutory holiday in the Province of Ontario or the Province of British Columbia.

"**Canadian Securities Laws**" means the *Securities Act* (British Columbia), as amended, and the equivalent legislation in the other provinces where Meadow Bay is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statutes and the published policies, bulletins and notices of the regulatory authorities administering such statutes.

"**Casino**" means Casino Gold Corp., a corporation incorporated under the laws of the Province of Ontario.

“**Casino Gold Agreement**” means the share purchase agreement dated September 13, 2019, as amended between Meadow Bay, 2656065 and Casino pursuant to which Meadow Bay sold the DH Share, and thereby the Atlanta Project to a subsidiary of Casino.

“**Casino Gold Shares**” means the 10,000,000 common shares in the capital of Casino issued on November 15, 2019 to Meadow Bay in consideration of the Desert Hawk Sale pursuant to the Casino Gold Agreement.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Closing**” means the closing of the Transaction.

“**Closing Date**” means the date of closing of the Transaction.

“**Colverde**” means Colverde MD S.A.S., a corporation formed under the laws of Colombia, which holds the Colverde Licences and the Colverde Application, and which was acquired by MVMD on or about December 23, 2019 by the purchase by MVMD of the Colverde Shares.

“**Colverde Application**” means an application for registration with the Colombia Agricultural Institute as a producer of certified seed.

“**Colverde Shares**” means all of the issued and outstanding shares of Colverde.

“**Colverde Licences**” means a licence for the cultivation of psychoactive cannabis plants issued by the Ministry of Justice and Law, a licence for the manufacture of cannabis derivatives issued by the Colombian Ministry of Health and Social Protection, and a licence for the cultivation of non-psychoactive cannabis plants.

“**Consolidation**” means the consolidation of the issued and outstanding Meadow Bay Common Shares at a ratio of eight old Meadow Bay Common Shares into one new Meadow Bay Common Share to occur prior to Closing.

“**Conversion Units**” means the units of Meadow Bay issuable upon conversion of the Convertible Debentures, each Conversion Unit consisting of one Meadow Bay Common Share and one Conversion Warrant, subject to adjustment.

“**Conversion Warrants**” means the share purchase warrants of Meadow Bay comprising part of the Conversion Units, with each Conversion Warrant entitling the holder to acquire one Meadow Bay Common Share at a price of $0.06 per Meadow Bay Common Share, subject to adjustment, until July 11, 2024.

“**Convertible Debenture Units**” means the convertible debenture units of Meadow Bay sold to MVMD under the Bridge Loan Financing, each Convertible Debenture Unit consisting of one Convertible Debenture in the principal amount of $1,000 and 1,000 Convertible Debenture Warrants.

“**Convertible Debenture Warrants**” means the 1,000 share purchase warrants of Meadow Bay comprising part of the Convertible Debenture Units, each Convertible Debenture Warrant entitling MVMD to acquire one Meadow Bay Common Share at a price of $0.06 per Meadow Bay Common Share, subject to adjustment, until July 11, 2024.

“**Convertible Debentures**” means the secured convertible debentures of Meadow Bay comprising part of the Convertible Debenture Units issued to MVMD on July 11, 2019, having a maturity date of July 11, 2023, and an interest rate of 10% per annum, with the principal and accrued interest convertible into Conversion Units at a price of $0.05 per Conversion Unit, subject to adjustment.

"CSA Staff Notice 51-352" means Canadian Securities Administrators Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities,* as published on October 16, 2017 and as revised on February 8, 2018, which provides specific disclosure expectations for issuers which have or may have marijuana-related activities in the United States.

"**CSE**" means the Canadian Securities Exchange.

"**CSE Listing**" means the listing of the Resulting Issuer Shares on the CSE.

"**Desert Hawk**" means Desert Hawk Resources Inc., a private company incorporated under the laws of the state of Delaware, USA which holds the Atlanta Project, and which previously was a wholly owned subsidiary of Meadow Bay until the Desert Hawk Sale.

"**Desert Hawk Sale**" means the sale of the DH Share by Meadow Bay to a subsidiary of Casino pursuant to the Casino Gold Agreement, which sale closed on November 15, 2019.

"**DH Conversion Units**" means the units of Meadow Bay issuable upon conversion of the DH Convertible Debentures, each DH Conversion Unit consisting of one Meadow Bay Common Share and one DH Conversion Warrant, subject to adjustment.

"**DH Conversion Warrants**" means the share purchase warrants of Meadow Bay comprising part of the DH Conversion Units, with each DH Conversion Warrant entitling Casino to acquire oneMeadow Bay Common Share at a price of $0.06 per Meadow Bay Common Share, subject to adjustment, for a period of five years until July 11, 2024.

"**DH Convertible Debenture Units**" means the convertible debenture units of Meadow Bay sold to Casino under the DH Private Placement, each DH Convertible Debenture Unit consisting of one DH Convertible Debenture in the principal amount of $1,000 and 1,000 DH Convertible Debenture Warrants.

"**DH Convertible Debenture Warrants**" means the 1,000 share purchase warrants of Meadow Bay issued to Casino as part of each DH Convertible Debenture Unit, each DH Convertible Debenture Warrant entitling Casino to acquire one Meadow Bay Common Share at a price of $0.06 per Meadow Bay Common Share, subject to adjustment, for a period of five years until July 11, 2024.

"**DH Convertible Debentures**" means the secured convertible debentures of Meadow Bay comprising part of the DH Convertible Debenture Units issued to Casino, with a maturity date of July 11, 2023, an interest rate of 10% per annum, with the principal and accrued interest convertible into DH Conversion Units at a price of $0.05 per DH Conversion Unit, subject to adjustment.

"**DH Private Placement**" means the CAD$350,000 private placement into Meadow Bay prior to the completion of the Amalgamation, which closed on October 7, 2019 and which included in Casino Gold Agreement involving Casino subscribing for 350 DH Convertible Debenture Units at a per unit price of $1,000.

"**DH Share**" means the sole issued and outstanding share of the common stock of Desert Hawk.

"**Governmental Entity**" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE.

"**IFRS**" means International Financial Reporting Standards.

“**Law**” means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any regulatory authority having the force of law.

“**Listing Statement**” means “this Listing Statement, including all appendices and schedules hereto, and all amendments and supplements thereto.

“**Meadow Bay**” means Meadow Bay Gold Corporation, a company incorporated pursuant to the laws of the Province of British Columbia, prior to giving effect to the Transaction.

“**Meadow Bay Class B Shares**” means the Class B Shares of Meadow Bay created and issued to holders of Meadow Bay Common Shares not including the Casino Finders (as defined below) as a dividend or distribution on a one-for-one basis prior to completion of the Amalgamation.

“**Meadow Bay Common Shares**” means the common shares in the authorized share structure of Meadow Bay, as constituted from time to time.

“**Meadow Bay MD&A**” means the management’s discussion and analysis for Meadow Bay in relation to the audited annual financial statements for the year ended March 31, 2019 and the interim unaudited financial statements of Meadow Bay for the three-month period ended June 30, 2019.

“**Meadow Bay Shareholders**” means holders of Meadow Bay Common Shares prior to giving effect to the Transaction.

“**Meadow Bay Warrants**” means Meadow Bay Common Share purchase warrants.

“**MVM**” means Mountain Valley Medicinals Inc., a company formed under the BCBCA and a wholly owned subsidiary of MVMD.

“**MVMD**” means Mountain Valley MD Inc., a company incorporated under the OBCA, prior to giving effect to the Transaction.

“**MVMD Class A Shares**” means the Class “A” common shares of MVMD.

“**MVMD Class B Shares**” means the Class “B” non-voting shares of MVMD.

“**MVMD Options**” means stock options to purchase MVMD Shares.

“**MVMD Private Placement**” means a private placement offering of units by MVMD at a price of $0.40 per unit for gross proceeds of 1,046,717, which was completed prior to the Amalgamation, each unit consisting of one MVMD Class B Share and one-half of one share purchase warrant to acquire an additional MVMD Class B Share at an exercise price of $0.60 for a period of 24 months, subject to acceleration provisions.

“**MVMD Shareholders**” means holders of MVMD Shares.

“**MVMD Shares**” means, collectively, the MVMD Class A Shares and the MVMD Class B Shares, all of which will be acquired by Meadow Bay pursuant to the Acquisition.

“**MVMD Warrants**” means share purchase warrants to purchase MVMD Shares.

“**MVMDC**” means MVMD (Colombia) Inc., a corporation incorporated pursuant to the laws of the Province of Ontario and a wholly owned subsidiary of MVMD.

"**OBCA**" means the *Business Corporation Act* (Ontario), as amended.

"**Person**" means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.

"**Resulting Issuer Shares**" means common shares of the Resulting Issuer after giving effect to the Transaction, including the issued and outstanding Meadow Bay Common Shares immediately before giving effect to the Transaction, the common shares to be issued by the Resulting Issuer to MVMD Shareholders pursuant to the terms of the Amalgamation Agreement, and any common shares of the Resulting Issuer to be issued following the completion of the Transactions, including upon the exercise of Meadow Bay Warrants, MVMD Warrants and MVMD Options.

"**Resulting Issuer**" means Mountain Valley MD Holdings Inc. (formerly Meadow Bay Gold Corporation) after giving effect to the Transaction.

"**Securities Act**" means the *Securities Act* (British Columbia), as amended.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

"**Smartek**" means Smartek International LLC, a private corporation operating in the State of New Jersey, from which corporation the Smartek Assets were and will be acquired.

"**Smartek Assets**" means intellectual property related primarily to desiccated liposomes including in particular patents, trademarks and other inventions.

"**Smartek Transaction**" means the acquisition by MVMD of the Smartek Assets.

"**Subsidiary**" means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary.

"**Transaction**" means the (i) Consolidation; (ii) Acquisition; and (iii) CSE Listing.

"**United States**" or "**USA**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

SCHEDULES

The following schedules are attached to and form an integral part of this Listing Statement:

Schedule "A"	-	Meadow Bay Annual Audited Financial Statements – March 31, 2019
Schedule "B"	-	MVMD Annual Audited Financial Statements – March 31, 2019
Schedule "C"	-	Meadow Bay Interim Unaudited Financial Statements – June 30, 2019
Schedule "D"	-	Meadow Bay Annual MD&A – March 31, 2019
Schedule "E"	-	MVMD Annual MD&A – March 31, 2019
Schedule "F"	-	Meadow Bay Interim MD&A – June 30, 2019
Schedule "G"	-	Pro Forma Financial Statements – Annual – March 31, 2019
Schedule "H"	-	Meadow Bay Statement of Executive Compensation for the year ended March 31, 2019
Schedule "I"	-	Meadow Bay Interim Unaudited Financial Statements – September 30, 2019
Schedule "J"	-	Meadow Bay Interim MD&A – September 30, 2019
Schedule "K"	-	MVMD Interim Reviewed Consolidated Financial Statements – June 30, 2019
Schedule "L"	-	MVMD Interim Reviewed Consolidated Financial Statements – September 30, 2019
Schedule "M"	-	MVMD Interim MD&A – June 30, 2019
Schedule "N"	-	MVMD Interim MD&A – September 30, 2019
Schedule "O"	-	Pro Forma Financial Statements – Interim – September 30, 2019

CORPORATE STRUCTURE

Corporate Name and Head and Registered Office

Meadow Bay and Subco

The head office of Meadow Bay is located at Suite 210 - 905 West Pender Street, Vancouver, British Columbia, V6C 1L6 and the registered office is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada V6C 2B5.

The head office of Subco is located at Suite 210 - 905 West Pender Street, Vancouver, British Columbia, V6C 1L6 and the registered office is located at Suite 2600 – 160 Elgin Street, Ottawa, Ontario K1P 1C3.

Upon completion of the Transaction, the registered and records office of the Resulting Issuer will be located at 610 – 475 W. Georgia Street, Vancouver, BC V6B 4M9.

MVMD and Subsidiaries

The head and registered office of MVMD is located at 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

The head and registered office of MVMD's wholly owned Ontario subsidiary, MVMDC, is located at 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

The head and registered office of MVMD's wholly owned British Columbia subsidiaries, MVM and 098, is located at 610 – 475 W. Georgia Street, Vancouver, BC V6B 4M9.

Upon completion of the Transaction, the registered and records office of the Resulting Issuer will be located at 610 – 475 W. Georgia Street, Vancouver, BC V6B 4M9.

Jurisdiction of Incorporation

Meadow Bay and Subco

Meadow Bay was incorporated under the BCBCA on March 8, 2005 under the name "Meadow Bay Capital Corporation". On April 4, 2011, Meadow Bay changed its name to "Meadow Bay Gold Corporation".

Meadow Bay has one wholly owned subsidiary, Subco, a company incorporated under the laws of the Province of Ontario on June 11, 2019.

Pursuant to the terms of the Amalgamation Agreement, Subco and MVMD will complete a three-cornered amalgamation and the amalgamated entity resulting from such amalgamation will be a directly wholly owned subsidiary of the Resulting Issuer.

MVMD and Subsidiaries

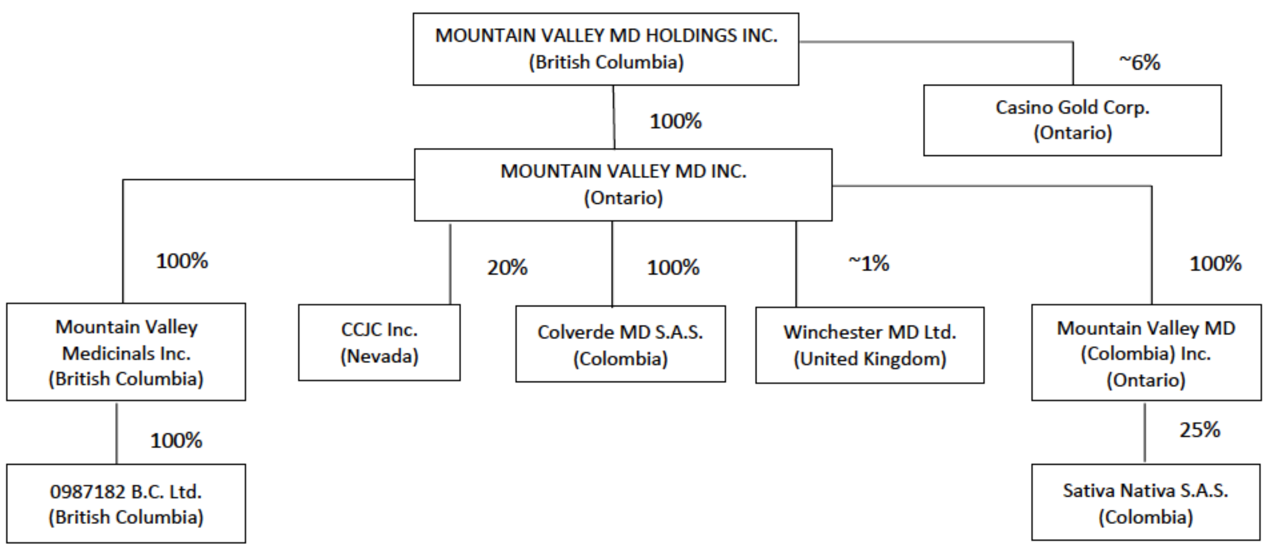
MVMD was incorporated under the OBCA on October 26, 2018. MVMD's head office is located at 210 Adelaide Street West, Toronto, ON.

MVMD has three wholly-owned subsidiaries, Mountain Valley Medicinals Inc. (MVM), a company incorporated under the BCBCA on March 7, 2018, MVMD (Colombia) Inc. (MVMDC), a corporation incorporated under the OBCA on April 11, 2019, and Colverde MD S.A.S. (Colverde), a corporation formed under the laws of the Republic of Colombia on February 21, 2018. MVM has a wholly owned subsidiary, 0987182 B.C. Ltd. ("098") (formerly Pura Vida Medical Marihuana Incorporation), a company formed under the BCBCA.

MVMD also holds non-controlling interests in CCJC Inc. ("CCJC"), a corporation formed under the laws of Nevada; Sativa Nativa S.A.S, a company incorporated under the laws of the Republic of Colombia ("Sativa Nativa"); and Winchester MD Ltd. (formerly Green Biosciences Limited), a private limited company incorporated under the Companies Act 2006 (England and Wales).

Inter-Corporate Relationships

The chart below illustrates the corporate structure of the Resulting Issuer immediately following the completion of the Transaction, including completion of the change of Meadow Bay Gold Corporation's name to "Mountain Valley MD Holdings Inc."



Fundamental Change

Pursuant to the terms of the Amalgamation Agreement, Subco and MVMD will complete a three-cornered amalgamation and the amalgamated entity resulting from such amalgamation will be a directly wholly-owned subsidiary of the Resulting Issuer. See above for the intercorporate structure of the Resulting Issuer following the completion of the Transaction.

Non-corporate Issuers and Issuers incorporated outside of Canada

Not applicable.

GENERAL DEVELOPMENT OF THE BUSINESS

General Development of the Business

Meadow Bay

Meadow Bay is a junior resource exploration company whose principal objective, prior to the Desert Hawk Sale, included mineral exploration and development. Meadow Bay had been focused on the gold and silver sector in Nevada, USA. Its operations in Nevada consisted of the Atlanta Project located in Lincoln County, Nevada.

On September 13, 2019 and as a result of the Transaction with MVMD, Meadow Bay entered into the Casino Gold Agreement with Casino and a wholly-owned subsidiary of Casino to sell the sole issued and outstanding share of the common stock (the "DH Share") of Desert Hawk Resources Inc. ("Desert Hawk"), which represented 100% of Meadow Bay's interest in Desert Hawk, to a subsidiary of Casino for an aggregate deemed purchase price of $900,000, in consideration of 10,000,000 common shares at a deemed per share price of $0.09, in the capital of Casino (the "Casino Gold Shares"), subject to the receipt of shareholder and regulatory approval.

Desert Hawk holds the Atlanta Gold Mine Project in Lincoln County, Nevada (the "Atlanta Project"), consisting of an area of 11,829 acres of 556 unpatented mineral claims (located on United States Bureau of Land Management land) and 12 patented mineral claims, approximately 250 kilometers northeast of Las Vegas, Nevada.

Casino is a Toronto-based private gold exploration company that holds gold exploration projects in the Battle Mountain Trend in Nevada. Casino also currently holds 46.29% of the issued and outstanding shares of Victory Metals Inc. (TSX-V: ECC), which owns a 100% interest in the Iron Point Vanadium Project located 22 miles east of Winnemucca, Nevada.

On October 7, 2019, Meadow Bay completed the CAD$350,000 DH Private Placement involving Casino subscribing for 350 DH Convertible Debenture Units at a per unit price of $1,000.

On October 17, 2019, the shareholders of the Meadow Bay passed, among other things: (a) an ordinary resolution approving the Transaction; and (b) a special resolution approving the Casino Gold Agreement and the Desert Hawk Sale, which constituted a sale of all or substantially all of the Company's undertaking.

On November 15, 2019, Meadow Bay completed the sale of the DH Share (and thereby the sale of the Atlanta Project) to Casino, for and in consideration of 10,000,000 Casino Gold Shares, at a deemed value of $0.09 per Casino Gold Share for an aggregate deemed value of $900,000, representing approximately 5.8% of Casino's issued and outstanding shares. A finder's fee equal to 7,999,992 Meadow Bay Common Shares at a price of $0.035 per share (being 999,999 Resulting Issuer Shares on a post-Consolidation basis) were issued to certain third parties (the "**Casino Finders**").

In connection with the Desert Hawk Sale, Meadow Bay intends to alter the authorized share structure of Meadow Bay and approve, by way of a resolution its Board of Directors, the creation of a new class of Class B Non-Voting Common shares, being the Meadow Bay Class B Shares, and issue one Meadow Bay Class B Share for every Meadow Bay Common Share held by such Meadow Bay Shareholder, by way of share distribution, dividend or otherwise, to the Meadow Bay Shareholders prior to the completion of the Transaction. See section entitled "*Description of the Securities*".

MVMD

MVMD is a private Ontario corporation committed to becoming a world-class health and wellness organization centered around cannabis derivatives and focused on the creation of industry leading products that are sought out globally.

Management believes its proposition for delivering formulations that have rapid onset, with high bioavailability, with precision dosing technology, will be core to the company's success across key health and wellness categories, including pain management, weight loss, energy, focus, sleep, anxiety, libido and more. Core to MVMD's science are advanced desiccated liposome formulations and the related international patents for advanced compressible delivery formulations for transmucosal delivery.

MVMD believes its health and wellness success will be bolstered further through intelligent applications of cannabis-based cannabinoids across its transmucosal delivery product line and other health and wellness products. As such, MVMD is also focused on the areas of cultivation, research and development, and manufacturing through strategic acquisitions and partnerships, for the purposes of generating a market-leading portfolio of high quality, vertically integrated, sustainable cannabis assets.

See section entitled "*Narrative Description of Business*" for additional details on MVMD's business plan and how the transactions below are incorporated.

MVMD has been actively working toward acquiring capital and a variety of assets since incorporation to allow it to develop and build its infrastructure and thereafter begin operations.

On December 7, 2018, MVMD issued 45,000,000 MVMD Class A Shares (as defined herein) at a per share price of $0.005 as a private issuer for aggregate gross proceeds of $225,000, which was completed to fund start-up costs.

On December 20, 2018, MVMD provided a loan equal to USD $600,000 (the "CCJC Loan") to CCJC, a private Nevada corporation, and, on the same date, entered into a term sheet with CCJC (the "CCJC Term Sheet"), the intention of the parties being that the CCJC Loan be converted into equity in CCJC pursuant to the CCJC Term Sheet. CCJC is the majority shareholder (90%) of a US private corporation (the "Applicant") who has made an application (the "DEA Application") with the U.S. Drug Enforcement Administration ("DEA") to become registered under the Controlled Substances Act (United States) to manufacture marijuana to supply to researchers in the United States (the "DEA Licence"). Pursuant to the terms of the CCJC Term Sheet, MVMD would acquire newly issued shares from CCJC representing 10% of the issued and outstanding shares of CCJC (following issuance) in consideration for USD $600,000, to be paid by way of conversion of the CCJC Loan. MVMD would acquire an additional 10% from the existing shareholders of CCJC by way of share purchase, in consideration for the issuance of 5,000,000 MVMD Class B Shares at a deemed price of $0.20 per share. Further, MVMD would acquire the right to purchase an additional 40% of the issued and outstanding shares in CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 MVMD Class B Shares at a deemed price of $0.20 per share.

On December 21, 2018, MVMD completed a private placement offering of 25,625,000 MVMD Class A Shares at a per share price of $0.02 as a private issuer for aggregate gross proceeds of $512,500, which was completed to fund the CCJC Loan in part and other anticipated investments as well as for working capital.

On January 2, 2019, MVMD entered into a binding letter of intent with Avicanna Inc. (TSX:AVCN) ("Avicanna"). Pursuant to the letter of intent, MVMD had agreed to: (i) subscribe for newly issued shares of Sativa Nativa, a corporation formed under the laws of Colombia of which Avicanna is the majority shareholder, equal to 10% of the then total issued and outstanding shares of Sativa Nativa for $2,800,000 in cash; and (ii)

MVMD would acquire an additional 15% of the then total issued and outstanding shares of Sativa Nativa from shareholders of Avicanna for $2,000,000 in cash and $2,200,000 worth of MVMD Class B Shares.

On January 9, 2019, MVMD completed a private placement offering of 12,260,000 MVMD Class B Shares at a per share price of $0.05 as a private issuer for aggregate gross proceeds of $613,000, which was completed to fund the CCJC Loan in part and other anticipated investments (i.e. Sativa Nativa as described below) as well as for working capital.

On January 10, 2019, MVMD acquired 100% of MVM's issued and outstanding shares by way of share exchange, entering into a share exchange agreement (the "SEA") with MVM and its shareholders. MVMD issued 54,206,148 MVMD Class B Shares (as defined herein) to the shareholders of MVM on a 1:1 basis. The price per share was $0.028.

MVMD, through its wholly owned subsidiary, MVM, through its wholly owned subsidiary 098, owns property in or around the City of Nanaimo in the Province of British Columbia (the "Property"). MVM has engaged a local general contractor to scope the feasibility and project planning requirements at the Property and to assist in determining next steps and timing regarding construction of a facility on the Property.

In May 2019, Health Canada had announced that all new applicants applying for a Cultivation, Processing or Sale for Medical Purposes Licence would be required to have a fully built site that meets Health Canada requirements at the time of application. MVM would complete its application to Health Canada once a facility has been built. See additional details in section entitled "Narrative of the Business".

On January 15, 2019, MVMD began to offer (the "January Offering') units of MVMD (for the purposes of this paragraph, the "First Units") on a private placement basis at a subscription price of $0.20 per First Unit. Each First Unit was comprised of one Class "B" (non-voting) Common Share and one share purchase warrant (for the purposes of this paragraph, each a "First Warrant", collectively the "First Warrants") to acquire one MVMD Class B Share at an exercise price of $0.35 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "First Warrant Expiry Date"), subject to forced acceleration of the First Warrant Expiry Date in the event that MVMD completes a going public transaction (such as the Transaction) (the "Going Public Liquidity Event") and thereafter the common shares of the reporting issuer trade at $0.50 or higher for at least three (3) consecutive trading days, whereby MVMD (or the Resulting Issuer following the completion of the Transaction) may, at its option, accelerate the First Warrant Expiry Date by giving notice to the holder thereof and in such case the First Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event (such as the Transaction), the holders of the First Units will not be able to trade the MVMD Class B Shares (or First Warrants or underlying MVMD Class B Shares comprising the First Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. MVMD relied on exemptions from prospectus requirements under National Instrument 45-106 ("NI 45-106"), including execution 2.9 (the offering memorandum exemption). As set out below, the January Offering closed over four (4) tranches on February 21, March 8, March 18th, and June 5th, 2019, for gross proceeds of $9,980,831.78 by the issuance of 49,904,159 First Units at a price of $0.20 per First Unit.

On February 21, 2019, MVMD issued 38,388,910 MVMD Class B Shares at $0.20 per share for gross proceeds of $7,677,782 and 38,388,910 Class B common share purchase warrants. The warrants are exercisable at $0.35 per MVMD Class B Share and expire two years from the grant date subject to acceleration provisions.

On March 8, 2019, MVMD issued 4,114,537 MVMD Class B Shares at $0.20 per share for gross proceeds of $822,907 and 4,114,537 Class B common share purchase warrants. The warrants are exercisable at $0.35 per MVMD Class B Share and expire two years from the grant date subject to acceleration provisions.

On March 18, 2019, MVMD issued 3,098,212 MVMD Class B Shares at $0.20 per share for gross proceeds of $619,642 and 3,098,212 Class B common share purchase warrants. The warrants are exercisable at $0.35 per MVMD Class B Share and expire two years from the grant date subject to acceleration provisions.

On April 11, 2019, MVMD completed the transaction contemplated in the letter of intent with Avicanna. MVMD entered into a Subscription and Share Purchase Agreement with Sativa Nativa, Avicanna and certain shareholders of Sativa Nativa, resulting in the acquisition by MVMDC of an aggregate 25% of the issued and outstanding shares of Sativa Nativa. MVMD acquired 7,892,248 common shares of Sativa Nativa, representing 10% of the issued and outstanding shares of Sativa Nativa (following issuance), for a subscription price of CAD $2,800,000, and another 26,838,372 common shares of Sativa Nativa from its shareholders other than Avicanna, representing 15% of the issued and outstanding shares of Sativa Nativa, for a purchase price of CAD $4,200,000 by way of a monetary payment of CAD $2,000,000 and the issuance of 11,000,000 MVMD Class B Shares at a deemed price of $0.20 per share.

As a result, MVMDC became a party to a shareholder agreement with the shareholders of Sativa Nativa upon completion of the acquisition of Sativa Nativa, which sets out the terms upon which Sativa Nativa operates, including control held by Avicanna as its majority shareholder. MVMDC is entitled to have a board of member on Sativa Nativa’s board of directors and to receive regular updates as well as financial statements. MVMD is also restricted from competing in the cannabis industry with Sativa Nativa within the Republic of Colombia, however this is limited to the four (4) northern departments of Atlantico, Magdalena, Cesar, and La Guarjira. MVMD holds a right of first refusal to enter into a supply agreement for the export of product to Australia and the United States of America. Further, Sativa Nativa holds a right of first refusal to enter into an agreement with MVMD for the export of its product, excluding to Canada or any territory to which Sativa Nativa is prevented by any applicable laws to export the product, to third parties that are seeking to import product from the Republic of Colombia with the same characteristics as Sativa Nativa’s product.

On May 9, 2019, MVMD acquired 700,000 ordinary shares in the capital stock of Winchester MD Limited (“Winchester”) at a price per of £0.15, a private company with its registered office in London, England, representing, as at July 2, 2019, approximately 2.6% of the ordinary shares of Winchester. Winchester is an established, fully integrated European based medical cannabis company that operates an online store called HempElf and offers over 100 products for sale. MVMD believes that its relationship with Winchester MD will be valuable for European market expansion and supply agreements in the future, once it has begun cultivation and production, however MVMD has no current formal agreements in place with Winchester. See section entitled “Narrative of the Business” for additional details on Winchester.

On June 5, 2019, MVMD issued 4,302,500 MVMD Class B Shares at $0.20 per share for gross proceeds of $860,500 and 4,302,500 Class B common share purchase warrants. The warrants are exercisable at $0.35 per MVMD Class B Share and expire two years from the grant date subject to acceleration provisions.

On June 10, 2019, MVMD entered into a subscription agreement with CCJC to acquire 1,333,333 common shares of CCJC, representing 10% of the issued and outstanding shares of CCJC (following issuance), for an aggregate subscription price of USD $600,000 (USD $0.20 per share) by way of conversion of the CCJC Loan. MVMD also entered into share purchase agreements (the “Share Purchase Agreements”) with the shareholders of CCJC to acquire an additional 1,333,334 common shares of CCJC, representing an additional 10% of the issued and outstanding shares of CCJC, in consideration for an aggregate purchase price of $1,000,000 by the issuance of an aggregate 5,000,000 MVMD Class B Shares at a deemed price of $0.20 per share. Pursuant to the terms of the Share Purchase Agreements, MVMD acquired the right to purchase an additional 40% of the issued and outstanding shares in CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 MVMD Class B Shares on terms to be negotiated in good faith by MVMD and the shareholders of CCJC. Three is no expected timeline, or guarantee, with respect to the approval and granting of the DEA Licence. One of the shareholders of CCJC is also an officer of MVMD, however at the time the terms of the transaction were negotiated, MVMD and CCJC were arm’s length parties. Upon completion of the Transaction, the Resulting Issuer and CCJC will have no directors or officers in common. See section entitled "Narrative of the Business" for additional details.

On July 3, 2019, MVMD issued 773,000 MVMD Class B Shares at $0.20 per share for gross proceeds of $154,600.

On July 5, 2019, MVMD entered into a binding letter of intent (the "Smartek LOI") with Smartek, a private corporation operating in the State of New Jersey, and its shareholders (the "Smartek Parties"). The Smartek Parties are the holders of assets related to developing, manufacturing, supply and licensing desiccated liposomes. The terms of the Smartek LOI provided for the acquisition of the Smartek Assets, to develop and commercialize numerous cannabis-based products, as well as complimentary non-cannabis opportunities leveraging the principal patents across nutraceutical, nicotine, and pharmaceutical applications. Subject to the completion of a due diligence review, MVMD would also acquire related license and/or supply agreements or opportunities with third parties, which would form part of the Smartek Assets. In consideration for the transfer of the Smartek Assets, subject to the completion of certain milestones to be set out in the definitive agreement, MVMD would pay an aggregate of CAD $1,000,000, 25,000,000 MVMD Class B Shares (or common shares of the Resulting Issuer if issued upon the completion of the Transaction) at a deemed price of $0.20 per share, and 10,000,000 share purchase warrants, exercisable at $0.60 into common shares of the Resulting Issuer for a period of time to be set out in the definitive agreement. The foregoing compensation would be paid over time upon and subject to the completion of certain agreed upon milestones. An initial payment of $250,000 (the "Initial Payment") was made.

On July 9, 2019, MVMD entered into a letter of intent (the "Colverde LOI") with Colverde MD S.A.S. ("Colverde"), a private corporation formed under the laws of the Republic of Colombia, and its shareholders (the "Colverde Vendors"). The terms of the Colverde LOI provide for the acquisition by MVMD of the assets of Colverde (the "Colverde Assets") by the acquisition from the Colverde Vendors of all of the issued and outstanding shares of Colverde (the "Colverde Shares"), such that Colverde will become a wholly owned subsidiary of MVMD, in consideration for CAD $130,000 and the issuance of 9,750,000 at a deemed price of $0.20 per share. Colverde is non-operating and its assets are a licence for the cultivation of psychoactive cannabis plants issued on November 23, 2018 by the Ministry of Justice and Law (licence number 1214), a licence for the manufacture of cannabis derivatives issued on September 12, 2018 by the Colombian Ministry of Health and Social Protection (licence number 3836), and a licence for the cultivation of non-psychoactive cannabis plants issued on December 16, 2019 by the Ministry of Justice and Law (licence number 1898) (collectively the "Colverde Licences"), as well as a lease for land located in Tabio, a municipality and town of Colombia in the department of Cundinamarca (the "Colverde Lease Property"). In addition, Colverde has made application for registration with the Colombia Agricultural Institute as a producer of certified seed (the "Colverde Application"), which is anticipated to be granted in the first six months of 2020. As there is no existing business in Colverde and the licenses and applications are non-transferable, the Colverde LOI contemplated the acquisition of the assets by acquiring the Colverde Shares.

On September 29, 2019, MVMD issued 862,500 MVMD Class B Shares at $0.20 per share for gross proceeds of $172,500.

On or about October 2, 2019, MVMD acquired 333,333 common shares (less than 1%) at a per share price of $0.75 for an aggregate subscription price of $250,000 in the capital stock of Sixth Wave Innovations Inc. ("Sixth Wave"), a company that is or intends to be in the business of cannabis extraction technology. Sixth Wave entered into an agreement and Plan of Merger with 6th Wave Innovations Corp., the completion of which is pending as at the date of this Listing Statement, the combined business of which includes the development of the Affinity™ Extraction Process, an extraction solution specifically designed to extract THC and/or CBD from cannabis/hemp crude for the production of pure THC and CBD compounds. The technology and process would provide a robust, cost effective method to provide high purity THC and CBD for the commercial market.

On October 17, 2019, the shareholders of MVMD passed, among other things, a special resolution approving the Transaction.

On November 4, 2019, MVMD entered into a debenture agreement (the "Debenture") with a Canadian private corporation named Agro Results Inc. ("Agro Results") for $100,000. The Debenture bears interest at 5% and matures on November 4, 2022. Agro Results owns a stimulant technology designed to be used on plants (the "Stimulant Technology"). As additional consideration for the Debenture, MVMD acquired the right subject to a due diligence review, to acquire an exclusive license to distribute the Stimulant Technology for world use on cannabis and hemp plants. Should MVMD not proceed with such a license agreement, MVMD will be entitled to demand full repayment of the amount of the Debenture with interest. It is anticipated but not guaranteed that a distribution and/or licence agreement will be completed in January or February 2020. MVMD will also have the right to convert the amount of the Debenture into equity at any time during the term of the Debenture, upon any future financing offered by Agro Results at a 20% discount.

On or about November 15, 2019, MVMD entered into a definitive agreement (the "Colverde Agreement") with Colverde and the Colverde Shareholders pursuant to the Colverde LOI (the "Colverde Transaction"). In consideration for the acquisition of the Colverde Shares, MVMD agreed to pay an aggregate purchase price (the "Colverde Purchase Price") of $130,000 as cash compensation and 9,750,000 MVMD Class B Shares (or common shares of the Resulting Issuer if issued upon the completion of the Transaction) (the "Colverde Consideration Shares") at a deemed price of $0.20 per share. A deposit of $130,000 (the "Deposit") was made in July 2019 upon the execution of the Colverde LOI. Pursuant to the terms of the Colverde Agreement, 100% of the Colverde Consideration Shares will be held in escrow on terms to be set out in an escrow agreement until the Colverde Applications are approved. The closing of the Colverde Transaction was completed on or about December 23, 2019, subject to the Colverde Shares being held in escrow pending completion of the Transaction (i.e. approval of the listing of the Resulting Issuer Shares on the CSE).

On December 20, 2019, MVMD entered into an Intellectual Property Asset Purchase Agreement (the "Smartek IP Asset Purchase Agreement") with the Smartek Parties for the acquisition of the Smartek Party Assets, being intellectual property assets primarily related to desiccated liposomes, including those patents identified in the Smartek IP Asset Purchase Agreement (the "Smartek Patents"), patent applications, trademarks, trade secrets and know-how, as well as related license and/or supply agreements or opportunities with third parties. In consideration for the transfer of the Smartek Assets, subject to the completion of certain milestones to be set out in the Smartek IP Asset Purchase Agreement, MVMD has agreed to pay an aggregate of CAD $1,000,000, 25,000,000 MVMD Class B Shares (or common shares of the Resulting Issuer if issued upon the completion of the Transaction) (the "Smartek Consideration Shares") at a deemed price of $0.20 per share, and 10,000,000 share purchase warrants, exercisable at $0.60 into common shares of the Resulting Issuer. The foregoing compensation will be paid over time upon and subject to the completion of certain agreed upon milestones, with a payment of approximately $325,000 plus 10,000,000 Smartek Consideration Shares having been paid into escrow with a third party escrow agent. The Closing occurred on or about January •, 2020 with the performance milestones are anticipated to be delivered within a period of 24 months, unless otherwise agreed. The Smartek Patents, patent applications and trademarks were assigned on the date of Closing, to be followed by the trade secrets, to be delivered in consideration for the release of the escrowed compensation. Concurrently, on December 20, 2019, MVMD also entered into a consulting agreement with Smartek for the services of the primary inventor of the Smartek Assets to provide services primarily related to the transition of the Smartek Assets to MVMD and the development and commercialization of the related products. See section entitled "Narrative of the Business" for additional details. A finder's fee equal to 2,400,000 MVMD Class B Shares at a deemed price of $0.20 per share were issued to an arm's length third party.

On December 23, 2019, the Colverde Transaction was completed. In consideration for the acquisition of the Colverde Shares, MVMD issued 9,750,000 Colverde Consideration Shares (being MVMD Class B Shares) at a deemed price per share of $0.20, which are held in escrow pending the approval of the Colverde Applications.

The Colverde Shares are also being held in escrow pending the completion of the Transaction. A deposit of $130,000 (the "Deposit") was made in July 2019 upon the execution of the Colverde LOI, which forms the cash portion of the Colverde Purchase Price and which was paid on closing. See section entitled "Narrative of the Business" for additional details on the Colverde Assets and the Colverde Application.

On January 24, 2020, and pursuant to the Amalgamation Agreement, MVMD completed an offering of units of MVMD (for the purposes of this paragraph, the "Second Units") on a private placement basis at a subscription price of $0.40 per Second Unit, this offering being the MVMD Private Placement, which was required to be completed prior to the completion of the Transaction. Each Second Unit is comprised of one MVMD Class B Share and one-half of one share purchase warrant (for the purposes of this paragraph, each full warrant a "Second Warrant", collectively the "Second Warrants"), each full Second Warrant entitling the holder to acquire one MVMD Class B Share at an exercise price of $0.60 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "Second Warrant Expiry Date"), subject to forced acceleration of the Second Warrant Expiry Date in the event that MVMD completes a Going Public Liquidity Event and thereafter the common shares of the reporting issuer trade at $0.90 or higher for at least three (3) consecutive trading days, whereby MVMD (or the Resulting Issuer following the completion of the Transaction) may, at its option, accelerate the Second Warrant Expiry Date by giving notice to the holder thereof and in such case the Second Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event (such as the Transaction), the holders of the Second Units will not be able to trade the MVMD Class B Shares (or Second Warrants or the underlying MVMD Class B Shares comprising the Second Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. MVMD issued 2,616,793 MVMD Class B Shares at $0.40 per share for gross proceeds of $1,046,717 and 1,308,397 Class B common share purchase warrants.

The Transaction

On June 27, 2019, Meadow Bay, MVMD and 2700915 entered into the Amalgamation Agreement which provides for the Amalgamation and for Meadow Bay to thereby acquire all of the outstanding MVMD Shares, (consisting of MVMD Class A Shares and MVMD Class B Shares) with MVMD Shareholders to receive one Resulting Issuer Share (post 8-1 Consolidation) for each MVMD Share held before the Amalgamation (the "Transaction").

The Transaction constitutes a fundamental change of Meadow Bay pursuant to CSE Policy 8.

The principal terms of the Transaction are as follows:

1. Meadow Bay will complete the Consolidation, which will reduce the number of common shares issued and outstanding from 58,056,216 pre-Consolidation Common Shares to 7,257,027 post-Consolidation Common Shares.

2. Meadow Bay will change its name to "Mountain Valley MD Holdings Inc." or as otherwise agreed to by the parties.

3. The Transaction will be structured as a triangular amalgamation, wherein MVMD will amalgamate with 2700915 (the "Amalgamation") and as a result of the Amalgamation, Meadow Bay will thereby acquire all of the MVMD Shares in exchange for Resulting Issuer Shares on a one for one basis.

The Transaction is an arms-length transaction. The completion of the Transaction will result in the acquisition by Meadow Bay of MVMD in consideration for the issuance of one Resulting Issuer Share for each MVMD common share. The total acquisition cost to Meadow Bay for the Transaction will not be known until closer to closing. Meadow Bay and MVMD received their respective shareholders' approvals for the Transaction and related matters at their respective shareholders' meetings held on October 17, 2019. The completion of the Transaction will be subject to certain conditions precedent, including the following:

1. Meadow Bay shall have completed the Consolidation;

2. the receipt of approval of the CSE of the Amalgamation, subject to the usual CSE conditions; and

3. the name of Meadow Bay will have changed to "Mountain Valley MD Holdings Inc." or such other name agreed by the parties.

A finder's fee equal to 3% of the Resulting Issuer Shares to be issued to the holders of the MVMD Shares pursuant to the Amalgamation, including the Resulting Issuer Shares to be issued to MVMD Shareholders who acquired MVMD Class B Shares pursuant to the MVMD Private Placement, anticipated to be approximately 6,886,434 Resulting Issuer Shares, are to be issued to certain third parties.

It is anticipated that the Transaction will result in:

- an aggregate of 229,547,800 Resulting Issuer Shares (post-Consolidation) being issued to the MVMD Shareholders at a price of $0.28 per share, including 2,616,793 Resulting Issuer Shares as a result of the completion of the MVMD Private Placement;

- approximately 6,886,434 Resulting Issuer Shares being issued to certain third parties as a finder's fee in connection with the Transaction at a price of $0.28 per share;

- 51,212,556 Resulting Issuer Shares being reserved for issuance pursuant to the exercise of MVMD Warrants, including 1,308,397 MVMD Warrants issued pursuant to the MVMD Private Placement;

- 8,288,500 Resulting Issuer Shares being reserved for issuance pursuant to the exercise of MVMD Options;

- 27,500,000 Resulting Issuer Shares being reserved for issuance pursuant to the Smartek Assets and the related consulting agreement (see section entitled "General Development of the Business")

Certain of the Resulting Issuer Shares held by the current MVMD Shareholders will be subject to escrow conditions or resale restrictions as may be required by applicable securities laws and CSE requirements or as imposed by MVMD (see section entitled "*Escrowed Securities*" for details).

The description of the Amalgamation Agreement in this Listing Statement is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Amalgamation Agreement, which is available on the Resulting Issuer's SEDAR profile at www.sedar.com and which is incorporated by reference herein.

Pursuant to the Amalgamation Agreement, Meadow Bay closed the Bridge Loan Financing with MVMD, raising gross proceeds of $350,000 by way of the sale of 350 Convertible Debenture Units to MVMD. Each Convertible Debenture Unit consisted of one secured Convertible Debenture in the principal amount of $1,000 and 1,000 Convertible Debenture Warrants. Each Convertible Debenture Warrant entitles MVMD to acquire one additional Meadow Bay Common Share at a price of $0.06 per share, subject to adjustment, until July 11, 2024.

The Convertible Debentures mature on July 11, 2023, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into Conversion Units at a price of $0.05 per Conversion Unit, subject to adjustment. Each Conversion Unit will consist of one Meadow Bay Common Share and one Conversion Warrant, with each Conversion Warrant entitling the holder to acquire one additional Meadow Bay Common Share at a price of $0.06 per share, subject to adjustment, until July 11, 2024.

Meadow Bay paid a 7% loan administration fee in cash in the amount of $24,500 in connection with the Bridge Loan Financing. The proceeds of the Bridge Loan Financing were used to pay some of Meadow Bay's professional fees and pay for working capital expenditures.

Upon closing of the Transaction, the Convertible Debentures held by MVMD will become an inter-company debt as MVMD would have amalgamated with 2700915 to form a wholly owned subsidiary of the Resulting Issuer.

Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties which MVMD's management expects could impact its business and financial condition are (i) the changing legal and regulatory regime which regulates the production, sale and export of cannabis and cannabis related products in each territory in which it intends to operate in some capacity, including but not limited to Canada and Colombia; (ii) the ability of companies who may receive funds from the sale of cannabis and cannabis related products to adequately track and legally transfer such funds; and (iii) the ability of companies to raise adequate capital to carry out their business objectives. See section entitled "*Risk Factors*".

NARRATIVE DESCRIPTION OF THE BUSINESS

MVMD's Business

The below description of MVMD's business will become the Resulting Issuer's business.

MVMD is a private Ontario corporation committed to becoming a world-class health and wellness organization centered around cannabis derivatives and focused on the creation of industry leading products that are sought out globally.

Management believes its proposition for delivering formulations that have rapid onset, with high bioavailability, with precision dosing technology, will be core to the company's success across key health and wellness categories, including pain management, weight loss, energy, focus, sleep, anxiety, libido and more. Core to MVMD's science are advanced desiccated liposome formulations and the related international patents for advanced compressible delivery formulations for transmucosal delivery.

MVMD believes its health and wellness success will be bolstered further through intelligent applications of cannabis-based cannabinoids across its transmucosal delivery product line and other health and wellness products. As such, MVMD is also focused on the areas of cultivation, research and development, and manufacturing through strategic acquisitions and partnerships, for the purposes of generating a market-leading portfolio of high quality, vertically integrated, sustainable cannabis assets.

MVMD has been developing its business with a global view on four main growth pillars: a) cultivation; b) processing sciences; c) delivery sciences; and d) distribution, all further described below. MVMD has been actively working since incorporation toward acquiring capital and a variety of assets to create the basis of its business. See this section below under "Principal Products and Services" for additional details on assets acquired by MVMD as well as more detail on its areas of focus for the development of its business.

Business Objectives

Following completion of the Transaction, the principal business intended to be carried on by the Resulting Issuer will be the business of MVMD.

The Resulting Issuer expects to accomplish the following business objectives over the 12-month period following completion of the Transaction, directly or through its wholly owned subsidiaries:

	Description	Anticipated Cost in Next 12 Months	Total Anticipated Cost (exceeding 12 months)
1	Smartek International LLC – complete the acquisition of intellectual property assets from Smartek International, LLC and its shareholders.	$500,000[(1)]	$1,000,000
2	Licensing/supply arrangement(s) – pending acquisition of the Smartek Assets, license key desiccated liposome patent to a minimum of two third party life sciences partners to commercially deploy in North America.	Nil[(2)]	Nil[(2)]
3	Colombian operations – commence construction of cultivation and extraction facility and operations in Colombia.	$1,400,000	$3,300,000
4	Mountain Valley Medicinals – complete evaluation and make determination regarding construction of cannabis cultivation and extraction facility.	$301,000	TBD
5	Acquire distribution rights for Stimulant Technology (see section entitled "General Development of the Business").	Nil[(3)]	Nil[(3)]

Notes:
(1) Cash portion of purchase price. Total purchase price includes 25,000,000 MVMD Class B Shares (or Resulting Issuer Shares if issued following the completion of the Transaction) and 10,000,000 share purchase warrants.
(2) Excluding general costs associated with negotiating agreements, etc.
(3) Rights acquired in consideration for $100,000 debenture (see section entitled "General Development of the Business").

As MVMD is in a phase of growth, it may add or amend to the foregoing objectives, which may require additional financing.

Significant Milestones

To achieve the business objectives set out above, the following milestones must be met by the Resulting Issuer, certain of which may or are likely to be completed simultaneously:

	Description	Timeframe
1	Secure financing, by way of offering of units at $0.40 per unit, each unit consisting of one MVMD Class B Share and one-half of one share purchase warrant, exercisable at $0.60 per share, subject to certain accelerated exercise and escrow conditions	Completed prior to completion of Transaction
2	Approval of final Colverde Application	March 2020
3	Acquisition of remainder of Smartek Assets (i.e. trade secrets associated with patents)	June 2020
4	Begin licensing of intellectual property rights, pending acquisition of Smartek assets	February 2020
5	Begin operations in Colombia following asset acquisitions and construction	August 2020
6	Mountain Valley Medicinals – make construction decision	November 2020
7	Acquire distribution rights for Stimulant Technology	February 2020

See section entitled "Total Funds Available" below for costs anticipated to be incurred in connection with the completion of the foregoing milestones in the following 12 months.

Other than as described in this Listing Statement, there are no other significant events or milestones that must occur for the Resulting Issuer's business objectives to be accomplished. However, there is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above. In the event of an increase in the funds available to the Resulting Issuer as a result of, for example, the exercise of any or all of the MVMD Warrants, any or all of the dates set out above may be accelerated in the discretion of the Resulting Issuer.

Total Funds Available

As of June 30, 2019, Meadow Bay had a working capital deficit of approximately ($439,998) and as at March 31, 2019, MVMD had a working capital of $9,563,946. MVMD estimates working capital as at September 30, 2019 to be approximately $4,896,717 after giving effect to the completion of the MVMD Private Placement, having raised gross proceeds of $1,046,717. The following table represents the available funds of the Resulting Issuer and the principal purpose of those funds over a 12-month period:

Source	Funds Available
Meadow Bay Working Capital Deficit as at June 30, 2019(1)	($439,998)
Estimated MVMD Working Capital as at the date of this Listing Statement(2)	$4,896,717
Available Funds of the Resulting Issuer after giving effect to the MVMD Private Placement	**$4,456,719**
Principal Purpose	
Expenses related to the completion of the Transaction	$205,000
Costs of MVM future projects	$301,000
Smartek purchase price	$500,000
Expenses related to construction and beginning operations in Colombia, including additional acquisition of assets to be determined	$1,400,000
Expenses for IR, PR, dissemination services, road shows, trade shows, online marketing business development partnerships and acquisitions	$750,719
General and administrative costs estimated for operating 12 months(4)	$1,300,000
Total Expenses	**$4,456,719**

Notes:
(1) Based on the interim unaudited financial statements of Meadow Bay for the three-month period ended June 30, 2019, filed on SEDAR.
(2) Estimated cash balance, including gross proceeds of $1,046,717 pursuant to the MVMD Private Placement.
(3) See section entitled "General and Administrative Expenses" below.

General and Administrative Expenses:

Principal Purpose	
Salaries, consulting fees, taxes and benefits	$890,000
Rent and utilities	$60,000
Insurance	$100,000
Professional Fees	$200,000

Principal Purpose	
Miscellaneous, including filing fees, transfer agent	$50,000
Total Expenses	**$1,300,000**

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. In the event of an increase in the funds available to the Resulting Issuer as a result of, for example, the exercise of any or all of the MVMD Warrants, those amounts allocated above may be increase in the discretion of the Resulting Issuer. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the foregoing and those referred to under Risk Factors below. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

Ability to Access Public and Private Capital

The Resulting Issuer has historically, and management of MVMD believes it will continue to have, adequate access to equity from prospectus exempt (private placement) markets in Canada. It plans to (i) continue to access equity financing through private markets, and (ii) access equity financing through public markets in Canada, if listed on the CSE or another stock exchange. Further, the Resulting Issuer's executive team and board also have extensive relationships with sources of private capital (such as high net worth individuals), that could be investigated at a higher cost of capital. Current proceeds from the Resulting Issuer's financings will be used to finance the continued growth of the Resulting Issuer's business. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed wholly or partially with debt, which may increase the Resulting Issuer's debt levels above industry standards, or through the issuance of shares which will be dilutive to the current shareholders.

Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals and family offices that have made meaningful investments in companies and projects similar to the Resulting Issuer's projects.

Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See section entitled "*Risk Factors*".

Principal Products and Services

MVMD has been developing its business with a global view on four main growth pillars:

A. Cultivation
B. Processing Sciences
C. Delivery Sciences
D. Distribution

Cultivation

MVMD intends to focus its initial cultivation activities in Colombia as management believes Colombia to be one of the best places in the world to grow cannabis for its optimal growing conditions, favourable legislation and skilled flower labour market and has focused its initial global efforts on acquiring cultivation interests and assets in that territory.

MVMD has acquired a 25% non-controlling equity interest in Sativa Nativa. Sativa Nativa’s largest and controlling shareholder is Avicanna. MVMD’s interest in Sativa Nativa is considered an investment interest, not a controlling interest or one of significant influence. The Resulting Issuer does not consider the assets to be the assets of MVMD and MVMD’s financial statements reflect the foregoing.

Sativa Nativa’s operations are located in the foothills of the Sierra Nevada Mountains in Colombia. The location offers 12 hours of daily sunlight year-round, while the tropical weather of Santa Marta and microclimate of the Sierra Nevada Mountains provide optimal conditions to maximize the number and amount of harvests. It is believed that access to cost efficient energy sources and construction labour allow for affordable expansion and production. Sativa Nativa has easy access to the local Santa Marta shipping port that is expected to provide low cost shipping for export. Sativa Nativa is focused on commercial cannabis and is licensed to cultivate and process cannabis for the production of cannabis extracts and purified cannabinoids including cannabidiol (“CBC”) and tetrahydrocannabinol (“THC”). Sativa Nativa's cultivation facilities include 50,000 square feet of shade house and 20,000 square feet of customized greenhouse space. According to Avicanna, in 2019 Avicanna successfully performed technical transfer to its operating assets in Colombia, expecting Sativa Nativa to produce its first commercial harvests of 1.2 tonnes using Avicanna´s AV011 CBD registered genetics by the first quarter of 2020, and the API will be extracted at another subsidiary of Avicanna, an affiliate of Sativa Nativa, and ready for commercialization. According to Avicanna, Sativa Nativa has successfully obtained registration as Agronomic Evaluation Unit and Seed Producer from the Colombian Agricultural Institute (ICA) with a seed bank of 50 genetics, and is currently characterizing 20 genetics, 6 THC , 4 CBD-THC 9 CBD, 1 CBG, expected to get fully registered by the first quarter of 2020, provided the registration process is not delayed by the Colombian authorities.

On December 29, 2017, the Colombian Ministry of Justice and Law issued a psychoactive cannabis Cultivation license (licence number 1102) and on December 18, 2017, the Ministry of Health issued a Cannabis Derivatives Processing and Manufacturing license to Sativa Nativa (licence number 5221). However, there are certain regulatory requirements that must be met in order to be allowed to sell medical cannabis in the Republic of Colombia. Part of this process requires that Sativa Nativa grow and register the strains of cannabis plants that it wishes to commercially harvest for sale before the Colombian Agricultural Institute (ICA), which MVMD understands is currently in progress.

MVMD has learned that the following licenses have been granted to Sativa Nativa:

(a) Resolution 5221 issued on December 18, 2017 and expiring on December 17, 2022, which authorizes the manufacturing of cannabis derivatives for the purposes of distribution nationally (Colombia) and for exportation;
(b) Resolution 3465 issued on August 17, 2018 and expiring on December 17, 2022, which amends Resolution 5221 and amends the names of (i) the legal representative of Sativa Nativa, and (ii) the permitted location to perform the activities from "Ronda" to "Bonda";
(c) Resolution 777 issued on December 28, 2017 and expiring on December 27, 2022, which is a registration with the National Narcotics Fund of Colombia for the activity of manufacturing cannabis derivatives for the purposes of distribution nationally (Colombia) and for exportation;
(d) Resolution 1102 issued on December 29, 2017 and expiring on December 28, 2022, which authorizes the cultivation of psychoactive cannabis and permits Sativa Nativa to conduct the

following activities: (i) seed production for sowing; and (ii) the manufacture of cannabis derivatives;

(e) Resolution 674 issued on July 24, 2018 and expiring on December 28, 2022, which amends Resolution 1102 and amends the named legal representative of Sativa Nativa and also adds the activity permitting the product of grain;

(f) Resolution 230 issued on March 7, 2018 and expiring on March 6, 2023, which authorizes the cultivation of non-psychoactive cannabis and permits Sativa Nativa to conduct the following activities for industrial purposes: (i) the product of seeds and grain for planting; and (ii) the manufacture of cannabis derivatives;

(g) Resolution 673 issued on July 24, 2018, which amends Resolution 230 and amends the named legal representative of Sativa Nativa;

(h) Resolution 7014 granted by ICA on May 26, 2019 which permits Sativa Nativa to produce sexual and asexual cannabis seed; and

Resolution 7020 granted by ICA on May 26, 2019, which designates Sativa Nativa as an Agronomic Evaluation Unit and permits Sativa Nativa to begin the characterization process.

In addition to the opportunity formed with Sativa Nativa, in December 2019, MVMD acquired a suite of cultivation licenses through the Colverde Transaction for the build out of MVMD’s own wholly owned operations to be developed using these licences, including processing, manufacturing and distribution of CBD and THC-based consumer products within MVMD’s health and wellness value propositions, as follows:

- Licence for the cultivation of psychoactive cannabis plants licence number 1214 of November 23, 2018 issued by the Ministry of Justice and Law (Ministerio Justicia y del Derecho) for national use and export
- Licence for the manufacture of cannabis derivates number 3836 of September 12, 2018 issued by the Ministry of Health and Social Protection (Ministerio de Salud y Protección Social)
- Licence for the cultivation of non-psychoactive cannabis plants licence number 1898 issued on December 16, 2019 by the Ministry of Justice and Law (Ministerio Justicia y del Derecho)

The following application has been submitted and is anticipated to be approved in the first half of 2020.

- Registration as a producer of certified seed before the Colombian Agricultural Institute.

In Canada, MVMD, through its wholly owned subsidiaries, MVM and 098, owns 33 acres of land on Vancouver Island. Management has determined it to be in its best interests to proceed cautiously with the development of this asset and the cultivation of cannabis within Canada as a result of perceived industry conditions in Canada paired with the anticipated significant benefits expected from focusing MVMD’s cultivation efforts in Colombia. The next steps will be to make a decision to proceed with the construction of the facility against the completed drawings. If the decision is made to proceed with the build out, the initial shell would be constructed late in 2020, and the facility would be completed in 2021. Although MVM had already submitted its application prior to its acquisition by MVMD and was in the process of obtaining its licence from Health Canada, as a result of the change to the application process implemented by Health Canada that requires a facility to be built prior to an application being made, the application would only be considered complete and submitted upon the completion of the facility. See section entitled “Regulatory Regime” for more details.

With respect to research and development, in anticipation of the distribution and/or licence agreement with Agro Results for the Stimulant Technology (see section entitled "General Development of the Business"), MVMD has been doing preliminary product testing with and through key agricultural partners in Colombia and Canada. Initial results indicate that this product has been seeing cost-effective organic yield increases on crops consistently of 20% and in certain cases by as much as 40% through the delivery of informational technology to the plant that prepares it for damaging conditions. As a result, the treated plants grow deeper roots and open up their foliage to optimize the photosynthesis. Initial testing results have surpassed management's initial expectations. The Resulting Issuer intends to brand the hemp and cannabis product under the domain name "CannaBloom", recently acquired by MVMD. Additionally, MVMD has been working with third parties in Colombia engaged in agriculture to test the Stimulant Technology across non-cannabis-based applications, including coffee, cacao, banana and avocado crops. In its agreement with Agro Results, MVMD will acquire the exclusive distribution rights to any and all clients/customers of Agro Results who had been introduced by MVMD for various other crop types.

Pursuant to the agreement to be entered into with Agro Results, Agro Results will manufacture the CannaBloom products to the specifications outlined by MVMD for hemp and cannabis applications. MVMD is considering its global sales and marketing options as a priority in the first quarter of 2020.

Processing Sciences

Part of MVMD's core value proposition is to bring leading medical cannabis products to the marketplace and as such MVMD has been focusing on the precision of component separation during the extraction process. Management believes this to be significant to enabling precise dosing across a variety of consumption and application methods, and particularly beneficial in precise medical applications. While MVMD is preparing a framework within which to progress this aspect of the business and is in advanced discussions with Sixth Wave, a company believed to have a competitively differentiated technology, no acquisition(s) or agreement(s) are currently in place. See section entitled "General Development of the Business" for more information regarding Sixth Wave.

Delivery Sciences

Management of MVMD believes that leadership in delivery sciences will be critical to clearly differentiate MVMD and achieve early revenues. MVMD is confident it can expand its business in this area outside of the cannabis industry as indicated below.

On July 5, 2019, MVMD entered into the Smartek LOI with Smartek, a private corporation operating in the State of New Jersey, and its shareholders. See section entitled "General Development of the Business."

On December 20, 2019, MVMD entered into the Smartek IP Asset Purchase Agreement with the Smartek Parties for the acquisition of the Smartek Party Assets, being intellectual property assets primarily related to desiccated liposomes, including the Smartek Patents, patent applications, trademarks, trade secrets and know-how, as well as related license and/or supply agreements or opportunities with third parties. See section entitled "General Development of the Business" for additional details.

The closing occurred on February 10, 2020 with the performance milestones to be delivered within a period of 24 months, unless otherwise agreed. The Smartek Patents, patent applications and trademarks were assigned on the closing date, to be followed by the trade secrets, to be delivered in consideration for the release of the escrowed compensation over a period of up to 180 days upon the delivery.

MVMD has also engaged the services of a co-owner of Smartek and the primary inventor of the Smartek Assets to provide services primarily related to the transition of the Smartek Assets to MVMD and the development and commercialization of the related products. The proposed principal product lines to which the desiccated liposome technology would be applied include thin quick-dissolve strips, dissolvable stick pack and thick strip slow-dissolve applications. Leading up to the acquisition, the inventor of the Smartek Assets had done preliminary product development and testing with third parties working toward supply and/or licence agreements for energy, sleep, anxiety and libido products. The Resulting Issuer, through MVMD, is in discussions for the implementation of initial supply and licence agreements for energy, sleep, anxiety and libido products for launch into the North American marketplace initially with an intention to explore international markets.

Additionally, MVMD has been working with the inventor of the Smartek Assets on the product development for sublingual thin strip delivery applications of a CBD/THC based pain product and an insulin product. Following encouraging results from rounds of internal testing on both product prototypes, MVMD is moving forward to undertake human proof of concept pharmacokinetic studies for both the pain sublingual thin strip products and diabetes canine trials for the insulin sublingual thin strip product and will compare these products against potentially competing products already on the market, in an effort to demonstrate superior onset and bioavailability. The thin strip pain product will be tested and compared to Sativex® as the benchmark delivery platform against which to test the pharmacokinetics of the Smartek strip delivery technology. Sativex® is a cannabis-based oral-mucosal spray containing delta-9-tetrahydrocannabinol (THC) and cannabidiol (CBD). Sativex® is approved for the relief of multiple sclerosis (MS) symptoms in the United States and the treatment of cancer pain in Canada. The sublingual pain thin strip testing protocol aims to validate MVMD's belief that this product has a higher bioavailability and reduced time of onset than Sativex®. The trial will employ a double blind crossover to compare the T_{max}, C_{max} and AUC of the pain product against Sativex®. The sublingual insulin thin strip product testing and pharmacokinetic trial will aim to demonstrate the bioequivalence of the Smartek sublingual insulin delivery system along with a faster onset versus current needle injection, offering patients an ease of administration and rapid onset when compared to leading injection insulin products. The sublingual insulin thin strip product testing and canine trial will aim to demonstrate the bioequivalence of the Smartek Assets sublingual insulin delivery system along with a faster onset versus current needle injection, offering patients an ease of administration and rapid onset when compared to leading injection insulin products.

Distribution

MVMD's initial focus is on making investments in strategic alliances and sales and marketing initiatives that open up distribution in key markets across the global health and wellness and cannabis industries.

North America – Online Sales

In line with MVMD's exploration and focus on establishing key supply agreements and distribution partnerships to maximize the Resulting Issuer's product throughput, the Resulting Issuer intends to allocate USD $250,000 of its business development available funds to an investment into Brannd Wellness LLC ("Brannd Wellness"), a private US limited liability company in the business of direct to consumer online health and beauty product distribution. The investment would support the formation of a joint venture and initial operating costs for a proprietary online marketing technology and unique customer acquisition methodology that would offer strip and stick pack products across key target lines, including but not limited to sleep, anxiety, libido, vitamin D, testosterone and anti-aging.

UK / Spain

MVMD made a strategic investment into UK-based Winchester (see section entitled "General Development of the Business"). As described in a press release issued by Winchester on April 30, 2019, Winchester is a vertically integrated European cannabis company based out of London, UK. It was founded in 2018 with an initial focus on CBD wellness through a revenue producing online retail platform HempElf (www.hempelf.com). Winchester offers a variety of CBD products through its online store and continues to develop and market new products in the CBD wellness category. In 2019, Winchester has expanded into other verticals in the cannabis sector including with the vision of becoming a global cannabis leader with cultivation, extraction, CBD wellness, research and development and clinics/education. Management has been advised that Winchester is in the process of finalizing its cultivation expansion into Spain and MVMD's management believes that the relationship with Winchester generally represents a strong entry point into the European Union. According to Winchester, the company, together with its joint venture partner, has planted 230,000 hemp plants in June at its 20 hectare cultivation facility in Spain using high-quality EU certified seeds and, since this time, has successfully recruited and trained a 50 strong local workforce, implemented a bespoke irrigation system to support the cultivation and constructed and commissioned a dedicated 7000 square foot drying facility with the capacity to process 100,000 kg of dried biomass within three weeks and which is adaptable to serve as an indoor grow facility in the future.

United States - DEA Licence

The DEA adopted a policy in 2016 designed to increase the number of entities registered to manufacture marijuana to supply to researchers in the United States under the Controlled Substances Act (the "CSA"). On June 10, 2019, MVMD completed its acquisition of 20% of CCJC, a private Nevada corporation. CCJC is the majority shareholder (90%) of the Applicant, who has submitted the Application to the DEA to obtain the DEA Licence. See section entitled "General Development of the Business" for additional details.

The DEA Licence would allow the Applicant to lawfully cultivate cannabis under United States Federal law. The Applicant would, in effect, be growing marijuana for medical research to be sold to universities, pharmaceutical companies, hospitals, physicians, and others conducting research. The DEA License would confer no independent right on the Applicant to conduct such research.

Following a lengthy delay in the review process and a lawsuit filed by one of the applicants related to the delay, the DEA was ordered by the US Court of Appeals to respond by August 28, 2019 and, on August 26, 2019, the DEA provided a notice of applications and confirmed that it was "moving forward to facilitate and expand scientific and medical research for marijuana in the United States" (from a press release issued by the United States Department of Justice on August 26, 2019). Although there is no current timeline for approval nor a guarantee that the Applicant will receive approval, MVMD believes that the recent developments represent a positive step toward obtaining the DEA Licence, however there have been no material developments to management's knowledge since the announcement in August 2019.

Specialized Skill and Knowledge Requirements

Each pillar of MVMD's business requires varying degrees and aspects of specialized skill and knowledge. MVMD has to date consulted as and when required with individuals and companies with the appropriate scientific backgrounds and knowledge for the purposes of business planning and development as well as performing due diligence with respect to its proposed acquisitions of assets.

MVMD has been focused on assembling a team with the breadth of skill that will be required to achieve MVMD's business objectives. It is MVMD's intention and a condition of the Smartek LOI to engage the services of a co-owner of Smartek, being the primary inventor of the Smartek Assets, in a role and capacity to be determined but anticipated to be Director of Life Sciences.

MVMD expects to hire additional employees and contractors as needed in the near-term and is committed to securing the resources and personnel with the requisite experience to achieve its milestones.

Employees

Neither Meadow Bay nor MVMD had any employees as at their most recent fiscal year ends or over that year.

Foreign Operations

See "*Risk Factors*".

Market Overview

According to New Frontier Data (The Global Cannabis Report 2019 Industry Outlook (the "Report")), there are more than 263 million estimated cannabis consumers in the world, with significant demand for the plant's medical, wellness, industrial and recreational applications. The strength of demand varies by region, and is heavily influenced by the status of legalization, levels of social acceptance, and access to cannabis in each country.

New Frontier Data estimates the value of the existing worldwide demand for cannabis at $344.4 billion USD, based on both the estimated consumption levels and current market prices for cannabis flower in each country. Outside of the few countries that have legalized recreational use of cannabis, nearly all of the global demand is currently being met by the illicit market.

The Report estimates 1.2 billion people worldwide suffering from medical conditions for which cannabis has shown therapeutic value. It's believed that adoption of medical cannabis treatment by even a small proportion of that population would create significant market opportunity for cannabis companies. Furthermore, adoption of medical cannabis is likely to accelerate as the global medical community becomes better informed about the most current science on medicinal cannabis and begins to include it in their portfolio of therapeutic options.

According to and up to the date of the Report, 55 countries have legalized cannabis for medical use in efforts to provide access to patients suffering from serious medical conditions. The stringency of the regulatory framework chosen varies by country (including rules governing qualifying conditions, physician participation, production and processing, and insurance coverage), and has a significant impact on the size, growth, and reach of each program.

Canada

On October 17, 2018, Canada became the first G-7 nation to fully legalize cannabis for adult-use or recreational purposes in addition to medicinal. Management believes that since this legalization, product availability has been limited, and the kinds of products that are legal to consumer — flower and oils — have not moved consumers away from the black market in quantities forecasted. Additionally, management believes that a flatlining of the medical market sales has occurred in this new legalization transition window.

Edibles, cannabis extracts and topical products were legalized in Canada on October 17, 2019. Management believes that those categories have been the key drivers of market growth in legal US states.

See section entitled "*Regulatory Regime*" for more information.

Colombia

Colombia enacted laws regulating the use of cannabis for scientific and medicinal purposes in 2016. See section entitled "*Regulatory Regime*" for more information.

Colombia has developed a legal framework for export of cannabis and domestic route to market and has implemented federal level foreign investment protection through government institutions, effectively positioning itself to be a global exporter of medical cannabis derivatives in management's view.

With its inexpensive cultivation costs, ideal growing conditions, and experienced cultivators, MVMD'S belief is that Colombia is producing cannabis at a fraction of the cost of North America. From its review, MVMD understands Colombia to be the second largest flower producer in the world and has the infrastructure and logistics established to allow for future growth in both domestic and international markets.

United States

According to the Report from New Frontier Data, while the United States has not federally legalized cannabis for medical or recreational use, 33 U.S. states have enacted laws legalizing cannabis in some form for medical use, and 11 states have legalized cannabis for adult use. An additional 14 states allow the use of CBD – a non-psychoactive cannabinoid with strong therapeutic value – on very limited basis. Despite being illegal at a federal level, cannabis use in the U.S. is so widespread at the municipal level that it is increasingly becoming a low priority for law enforcement and the courts.

The federal law banning cannabis in the U.S., the Marihuana Tax Act, was passed in 1937. There is now growing acceptance of the plant as a legitimate option for patients suffering from medical problems like chronic pain or seizures in modern-day America. Additionally, Americans hold very progressive views on cannabis legalization and according to Pew Research – 62% of Americans believe it should be nationally legal.

The United States has also been seen as a world-leader in cannabis innovation, with the creation of new genetics, cultivation techniques, derivative products, and ingestion methods. America is expected to become one of the most lucrative cannabis markets in the world due to the large population of high- spending cannabis consumers and its progressive medical infrastructure. The states where cannabis is legal are generating significant revenues from legal sales. With new products enabling consumers to tailor their cannabis experiences, and advancing research confirming new therapeutic uses, the legal markets are growing quickly.

Regulatory Regime

While MVMD intends to expand globally, its focus to date has been on the markets in Canada and the Republic of Colombia, and, in the event that the Applicant obtains the Licence, the United States will also be a focus to the extent of the DEA Licence (see section entitled "*General Development of the Business*").

Canada

General

Until recreational cannabis was legalised on October 17, 2018, the Canadian market for cannabis was solely focused on medical cannabis. The Marihuana for Medical Purposes Regulations ("MMPR"), enacted by the Federal government of Canada under the Controlled Drugs and Substances Act (Canada) ("CDSA"), was repealed on August 24, 2016 and replaced by the Access to Cannabis for Medical Purposes Regulations ("ACMPR").

On October 17, 2018, the Cannabis Act (the "Act"), also known as Bill C-45, came into force as law with the effect of legalizing the non-medical use of cannabis by adults across Canada. The Act replaced the ACMPR and the Industrial Hemp Regulations ("IHR") (which had also come into force under the CDSA), which previously permitted access to cannabis for medical purposes for only those Canadians who had been authorized to use cannabis by their health care practitioner.

The Act permits the non-medical use of cannabis by adults and regulate the production, distribution and sale of cannabis and related oil extracts in Canada, for both non-medical and medical purposes.

In addition to the Act, the Federal Government of Canada published regulations, including the Cannabis Regulations (the "Cannabis Regulations") and the new IHR (together with the Cannabis Regulations, collectively, the "Regulations"). The Regulations outline additional rules for the cultivation, processing, research, analytical testing, distribution, sale, importation and exportation of cannabis, hemp and related products in Canada, including the various classes of licences that can be granted. The Regulations set standards for these cannabis and hemp products and include strict specifications for the plain packaging and labelling and analytical testing of all cannabis products as well as stringent physical and personnel security requirements for federally licensed sites.

Licences

The Cannabis Regulations establish different classes of licences that are required depending on the nature of the activity being undertaken: (a) cultivation licences – standard cultivation, micro-cultivation and nursery cultivation; (b) processing licences – standard processing and micro-processing; (c) sale, and sale for medical purposes; (d) analytical testing; (e) research; and (f) cannabis drug licence. The Cannabis Regulations dictate that any licence will be valid for no more than five years.

Security Clearances

The Act requires that certain individuals associated with a licensee, such as directors, officers and large shareholders obtain security clearances with Health Canada. Security clearances granted under the ACMPR are also considered to be valid security clearances under the Cannabis Regulations.

Cannabis Tracking System

A national cannabis tracking system was established and came into effect on October 17, 2018. The purpose of this system is to track cannabis throughout the supply chain to help prevent diversion of cannabis into, and out of, the legal market. This tracking system requires the submission of reports related to inventory.

Cannabis Products

The Cannabis Regulations set out the product categories that are permitted for sale, including dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds, including "pre-rolled" and capsule products. In June 2019, Health Canada announced amendments to the Cannabis Regulations setting out the rules governing the legal production and sale of edible cannabis, cannabis extracts and cannabis topicals. As required by the Cannabis Act, the amended regulations came into force on October 17, 2019, with cannabis products becoming available at some time after, anticipated to be no earlier than mid-December 2019.

Regulatory Framework

The provinces and territories of Canada have authority to regulate certain aspects of recreational cannabis including sale and distribution, minimum age requirements, places where cannabis can be consumed, pursuant to the Act. Each has enacted regulatory regimes, which are based on (i) private cannabis retailers licensed by the province; (ii) government run retail stores; or (iii) a combination of both frameworks. In any case, all suppliers are federal licence holders.

Colombia:

In 2016 and 2017, Colombia put in force a regulatory framework for safe and informed access to medical and scientific use of cannabis and its derivatives. The regulation regulates the cultivation, sale, derivatives, and use of cannabis seeds for medicinal and scientific purposes. This industry encourages research and scientific development in Colombia. The regulations do not address recreational use.

1. Law 1787 of 2016 establishes the regulatory framework that allows secure and informed access to the medical and scientific use of cannabis and its derivatives in the Colombian national territory. Also establish that the Colombian State will assume the control and regulation of the activities of cultivation, production, manufacturing, acquisition to any title, import, export, storage, transport, commercialization, distribution, use and possession of the seeds of the cannabis plant, cannabis, its derivatives and products that contain it for medicinal and scientific purposes.

2. Decree 613 of 2017 is intended to regulate the evaluation, monitoring and control of import, export, cultivation, production, manufacturing, acquisition of any title, storage, transport, commercialization, distribution, use and possession of the seeds of the cannabis plant, cannabis, its derivatives and products that contain it for medicinal and scientific purposes. Also establishes the types of licenses related to psychoactive and non-psychoactive cannabis in Colombia, the requirements, the process for the requests.

3. Resolution 577 of 2017 regulates the evaluation and monitoring of licences for the use of seeds for planting and cultivation of psychoactive and non-psychoactive cannabis plants.

4. Resolution 578 of 2017 regulates the fees corresponding to evaluation and monitoring services that must be paid by natural and legal persons requesting licences for the use of seeds for planting and cultivation of psychoactive and non-psychoactive cannabis plants.

5. Resolution 579 of 2017 establishes the criteria and definitions of small and medium growers, producers and national marketers of medical cannabis.

6. Resolution 2891 of 2017 regulates the fees corresponding to evaluation and monitoring costs that must be paid by natural and legal persons requesting licences to manufacturing licences of cannabis derivatives for medical and scientific use.

7. Resolution 2892 of 2017 establishes the technical regulation associated with the granting of licences for the production and manufacture of cannabis derivatives.

8. Decree 631 of 2018 regulates activities related to the growing of psychoactive and non- psychoactive cannabis seeds and establishes that cannabis seeds located in Colombia can be used only for the growing of cannabis in general.

<u>United States</u>:

CSA Staff Notice 51-352

On October 16, 2017, the Canadian Securities Administrators published Staff Notice 51-352 Issuers with U.S. Marijuana-Related Activities ("Staff Notice 51-352") which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the United States. All issuers with United States cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents.

Although the Resulting Issuer will only be involved in the cannabis industry in the United States, through its interest in CCJC, if and when permitted by the United States federal government, as a result of the Resulting Issuer's investment in CCJC, which is currently the majority shareholder of the Applicant, a company intending to be operate in the cannabis industry in the United States, the Resulting Issuer includes below the disclosure required pursuant to CSA Staff Notice 51-352. See the section entitled "General Development of the Business" for additional information on CCJC and the Applicant.

General

The United States federal government regulates drugs through the CSA according to certain schedules. Cannabis is classified as a Schedule I controlled substance. A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. The Department of Justice ("DOJ") defines Schedule I drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse." The CSA makes it illegal to "manufacture, distribute, or dispense, or possess with intent to manufacture, distribute, or dispense, a controlled substance," including cannabis. The United States Food and Drug Administration has not approved cannabis as a safe and effective drug for any condition.

State laws that permit and regulate the production, distribution and use of cannabis for recreational or medicinal purposes are in direct conflict with federal laws, which prohibit the use and possession of cannabis. Although certain states and territories of the U.S. authorize medical or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the CSA.

As of the date of this Listing Statement, 33 U.S. states and the District of Columbia permit the cultivation and sale of full-strength cannabis for medical purposes. In eleven of these 34 U.S. jurisdictions, state law permits the sale and possession of both medical and adult-use cannabis. The District of Columbia permits adult-use but not commercial sale. Five states have also enacted low-THC / high-CBD laws for medical cannabis patients. All considered, approximately 95% of Americans now live in states where state law permits some form of medical cannabis.

The prior U.S. administration attempted to address the inconsistencies between federal and state regulation of cannabis in a memorandum which then-Deputy Attorney General James Cole sent to all United States Attorneys in August 2013 (the "Cole Memorandum") outlining certain priorities for the DOJ relating to the prosecution of cannabis offenses. The Cole Memorandum noted that in jurisdictions that have enacted laws permitting cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. The DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum.

On January 4, 2018, then-U.S. Attorney General Jeff Sessions formally issued a new memorandum (the "Sessions Memorandum"), which rescinded the Cole Memorandum. The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime", and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress by following well-established principles when pursuing prosecutions related to cannabis activities. There can be no assurance that the federal government will not enforce federal laws relating to cannabis in the future.

Although the Cole Memorandum has been rescinded, one legislative safeguard for the medical cannabis industry remains in place: Congress adopted amendments to the fiscal years 2015, 2016 and 2017 Consolidated Appropriations Acts (currently referred to as the "Rohrabacher/Blumenauer Amendment") to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated medical cannabis actors operating in compliance with state and local law. The Rohrabacher/Blumenauer Amendment was included in the fiscal year 2018 budget passed on March 23, 2018. The Rohrabacher/Blumenauer Amendment was included in the series of short-term spending bills signed into legislation by President Trump in September 2018, December 7, 2018 and January 25, 2019. On February 15, 2019 the amendment was renewed as part of an omnibus spending bill in effect through September 30, 2019.

The Cole Memorandum and the Rohrabacher/Blumenauer Amendment gave medicinal cannabis operators and investors in states with regulated medical cannabis regimes greater certainty regarding federal enforcement as to establish cannabis businesses in those states. While the Sessions Memorandum has introduced some uncertainty regarding federal enforcement, the cannabis industry continues to experience growth in medical and adult-use markets across the U.S. U.S. Attorney General Jeff Sessions resigned on November 7, 2018. As of his resignation, Matthew Whitaker was the acting U.S. Attorney General and took no action on the cannabis issue, until he was replaced by President Trump's nominee (and former Attorney General under the first President Bush in the 1990s), William Barr, who was confirmed 54-45 by the U.S. Senate and sworn in on February 14, 2019. During his Senate confirmation hearings in January 2019, Mr. Barr said he would "not go after" state-regulated cannabis businesses if confirmed as the head of the Department of Justice. He later put that pledge in writing in response to written interrogatories from Senators prior to his confirmation: "As discussed at my hearing, I do not intend to go after parties who have complied with state law in reliance on the Cole Memorandum." In response to a question from Sen. Cory Booker (D-NJ), he went on to add: "I have not closely considered or determined whether further administrative guidance would be appropriate following the Cole Memorandum and the January 2018 memorandum from Attorney General Sessions, or what such guidance might look like. If confirmed, I will give the matter careful consideration." As of the date of this Listing Statement, Federal enforcement policy seems to be staying the course of non-interference with state-regulated cannabis businesses. However, unless and until fully legalized at the Federal level (as in Canada), risk of Federal prosecution remains a factor in the United States.

Speculation regarding possible legalization, further enforcement relaxation, improved access to financing and banking services, and improved Federal tax policy (see Internal Revenue Code Section 280E prior to and as a part of the now ongoing presidential election campaign of November 2020 remain exactly that: speculation. There can be no assurance that any of these issues will be resolved in a manner favourable to the Resulting Issuer, or that they will not be resolved in a manner unfavourable to the Resulting Issuer, as a result of the political process.

Despite the expanding market for state-regulated cannabis, traditional sources of financing, including bank lending or private equity capital, is lacking which is can be attributable to the fact that cannabis remains a Schedule I substance under the CSA. These traditional sources of financing are expected to remain scarce until the federal government legalizes cannabis cultivation and sales. On September 25, 2019, the Secure and Fair Enforcement Banking Act of 2019 (the "SAFE Banking Act") was passed by the U.S. House of Representatives by a vote of 321-103. If enacted into law, the SAFE Banking Act would provide financial institutions, including insurers, a safe harbour to do business with "cannabis-related legitimate businesses" in the United States and would grant the cannabis business community access to financial services such as electronic payment processing and small business loans. However, the SAFE Banking Act requires the approval of the United States Senate and the President of the United States to become law.

Federal DEA Licences

On August 11, 2016, the DEA announced that it would be adopting a new policy designed to increase the number of entities that could manufacture marijuana for use in federally approved research. However, despite receiving "dozens" of applications to grow research marijuana since that announcement, as at the date of this Listing Statement, the University of Mississippi holds the only licence to manufacture marijuana for research in the United States.

In June 2019, Scottsdale Research Institute, LLC ("SRI") filed a petition in the U.S. Court of Appeals against the DEA, seeking to force the DEA to respond to SRI's application to manufacture marijuana for research purposes, which SRI had filed in 2016. The petition asserts that the DEA failed to comply with certain statutory deadlines regarding clinical research-based manufacture applications, causing an unreasonable delay in the processing of SRI's application.

On July 30, 2019 the court ordered the DEA to file a response to SRI's petition within 30 days (August 28, 2019). On August 26, 2019, the announced a notice of applications, filed on August 27, 2019 in the Federal Register, the notice identifying the applications submitted from potential growers between August 2016 and May 2019. The DEA Acting Administrator said the agency is "making progress in the program to register additional marijuana growers for federally authorized research and will work with other relevant federal agencies to expedite the necessary next steps." The DEA noted in its press release that over the last two years, the total number of individuals registered by DEA to conduct research with marijuana, marijuana extracts, derivatives and delta-9-tetrahydrocannabinol (THC) has increased by more than 40 percent from 384 in January 2017 to 542 in January 2019. Similarly, in the last two years, DEA has more than doubled the production quota for marijuana each year based on increased usage projections for federally approved research projects.

The DEA also announced it plans to propose new regulations for growers before making a determination about pending applications. No timeline has been announced and there is no guarantee that an applicant, even if all requirements are met, will be granted a licence. Currently, the Resulting Issuer does not operate, nor control any subsidiary that is directly engaged in the cultivation or distribution of marijuana in accordance with a U.S. state license, and does not hold as of the date of this Listing Statement, non-controlling investment(s) in an entity who is directly involved in the U.S. marijuana industry. As the Resulting Issuer will only be involved in the cannabis industry in the United States, through its interest in CCJC, if and when permitted by the United States federal government, it would not be acting contrary to federal laws.

However, in accordance with CSA Staff Notice 51-352, the Resulting Issuer will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and any supplements or amendments hereto will be reflected in, and provided to, investors in public filings of the Resulting Issuer, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. Any non-compliance, citations or notices of violation which may have an impact on any the Resulting Issuer's licenses, business activities or operations will be promptly disclosed by the Resulting Issuer.

Doing Business in Colombia

The Resulting Issuer has a non-controlling interest, with no significant influence, in Sativa Nativa. The majority of Sativa Nativa is owned by Avicanna (see section entitled "General Development of the Business") and is operated by Avicanna or entities related to Avicanna. Pursuant to the terms of the acquisition of the Sativa Nativa Interest, the Resulting Issuer has no right to operate Sativa Nativa, however has access to review corporate and operational records and attend meetings.

Following the acquisition of licences by way of the Colverde Acquisition (see section entitled "General Development of the Business"), the Resulting Issuer will develop its own operations in Colombia. As at the date of this Listing Statement, Colverde is a non-operating entity, however it is the intention to develop the Resulting Issuer's operations in Colombia through this entity.

Business and Operating Environment

Colverde is incorporated pursuant to, and subject to, the law of the Republic of Colombia. The Resulting Issuer intends to operate in Colombia and is subject to the legal framework pertaining to the cannabis industry in Colombia (see section entitled "Regulatory Regime").

To the knowledge of management of the Resulting Issuer, no restrictions or conditions have been imposed by the foreign government and regulatory authorities on the ability of the Resulting Issuer, indirectly through Colverde, to operate in Colombia.

Colombia's legal system is a civil law-based system. Many laws and regulations in Colombia conflict with one another and the system often does not operate effectively to resolve such conflicts. Additionally, Colombia rates fairly high on the Corruption Perceptions Index of Transparency International. There are risks associated with the Resulting Issuer's proposed operations in Colombia (see section entitled "Risk Factors").

The Resulting Issuer has engaged and intends to engage professional advisors (legal, financial, and technical, including a vendor of the Colverde Shares) with the relevant expertise to provide assistance in the political, legal and cultural realities of Colombia. The board of the Resulting Issuer will continue to have access to those professional advisors and may seek additional advisors.

As at June 2017, Moody's Investors Service has changed its outlook on the Colombian banking system to positive from stable, reflecting their view that banks will see improvements in their operating environment, asset quality, as well as the capacity by the government to extend support when necessary. Moody's conclusions are contained in its just-released Banking System Outlook for Colombia, "Improving Operating Environment Drives Positive Outlook". Moody's assessment of Colombia's banking system is based on five factors: operating environment (improving); asset quality and capital (improving/stable); funding and liquidity (stable); profitability and efficiency (improving); and systemic support (improving). The operating environment for the banks is, as indicated, improving on supporting macroeconomic policies and a stronger market for the country's key commodities. Asset quality will improve, driven by a recovery in corporate revenues that should constrain further rises in loan delinquency. Furthermore, this trend is accompanied by falling debt levels, which should result in stronger debt servicing capacity. Funding and liquidity for the banking system will be stable. The pressure from faster loan growth will be modest overall as bank deposits will also be growing at a similar pace. Moody's further notes that system support is improving as the government's capacity to support banks benefits from the country's declining vulnerability to external shocks and lengthening track record of macroeconomic stability and fiscal discipline. Moody's considers Colombia a high support system, because of the importance of the banking system to the overall economy, as well as the government's demonstrated past records of systemic support.

As Colverde is a recently-acquired, non-operating entity, holding only the Colverde Licences, the Colverde Application and the Colverde Leased Property (see section entitled "General Development of the Business"), the Resulting Issuer, is not yet generating significant revenues and without materials customers or suppliers yet. The Resulting Issuer anticipates establishing relationships with its customers through the work of the professional advisors it has engaged and relationships with local contacts it has made during multiple trips taken by MVMD's management and directors. The Resulting Issuer plans to utilize consultants or hire employees as required, none of which are expected to be related parties to the Resulting Issuer.

It is anticipated that the Resulting Issuer's Canadian board members and management will visit Colverde's operations at least twice per year. The Resulting Issuer will not initially have any non-Canadian resident board members or management members.

Colverde's books and records are held by the Resulting Issuer's legal counsel in Bogota, Colombia. The Resulting Issuer, as sole shareholder of Colverde, and its auditors, may access Colverde's financial statements, corporate records and audit reports at any time during business hours of its legal counsel in Colombia.

Language and cultural differences

No proposed members of the board of the Resulting Issuer have direct experience in Colombia, nor speak the local language fluently. As such, the Resulting Issuer will rely initially on its professional advisors, in particular its legal counsel in Colombia, and its auditor, MNP LLP, who is a member of Baker Tilly International and is able to provide services in Colombia, as required for its initial operations, management and oversight. In addition, MVMD management has been personally cultivating relationships in Colombia for the purposes of engaging consultants and/or employees. In addition, the Colverde Vendors, pursuant to the Colverde Agreement, will continue to provide support as needed during the initial months following closing. Initially, management of the Resulting Issuer will act as management for Colverde, however it is anticipated that one or more consultants or advisors will begin to act as management for Colverde and/or join the board of directors of Colverde in the future.

Most of Colverde's records, including the Licences, are in Spanish, however the Resulting Issuer anticipates producing, and requiring the production of, future documents where feasible and prudent in both English and Spanish. Most of the closing documents related to the completion of the Colverde Transaction were prepared in both English and Spanish.

Corporate structure

In determining corporate structure with respect to ownership interests in Colombia, prior to the acquisition of Sativa Nativa, it was determined that owing the Sativa Nativa Interest through a Canadian subsidiary would be most practical, without sufficient benefit to forming a subsidiary in Colombia. With respect to Colverde, as MVMD was advised that the Licences MVMD sought to acquire could not be easily transferred outside of Colverde, and as Colverde has since formation been a non-operating entity, the acquisition of the Colverde Shares was determined to be the most prudent option, and Colverde will become the corporation and vehicle through which the Resulting Issuer will operate its intended business in Colombia.

Until and unless local management is engaged, the Resulting Issuer's management will also act as management of Colverde, in reliance upon its local advisors. The Resulting Issuer will have the ability to change the board and management of Colverde as its sole shareholder.

Risk management and disclosure

The management and board of directors of the Resulting Issuer has a full understanding of the risks facing the Resulting Issuer. The Resulting Issuer shares similar risks of other issuers operating in the cannabis industry in Colombia and similar jurisdictions.

The management and board of directors of the Resulting Issuer will actively communicate with its legal counsel in Colombia regularly to monitor the political and the legal environment in which Colverde intends to operate, as well as with local consultants and advisors with respect to internal matters, and will travel regularly in particular in the early stages of construction and development, to monitor activities. The management and board of directors of the Resulting Issuer will also review carefully how disruptions to business operations that may be caused by political, legal and cultural factors in the emerging market were dealt with by management.

Internal controls

Management of the Resulting Issuer will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place.

Until such time that the management of the Resulting Issuer is able to engage local management of Colverde on a long-term, full-time basis, it will need to rely to some degree on personnel with whom it has had limited experience. However, as management of the Resulting Issuer has direct control over, and access to, all matters related to Colverde and its operations, and has professional advisors on whom it will rely, the threat of this deficiency is considered immaterial. The potential risk that flows from the identified deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low as management has taken measures as stated above to mitigate the potential risk of fraud.

Management anticipates taking the following measures in the near term to mitigate this weakness: (i) All purchase and payment, including payroll, must be authorized by management of the Resulting Issuer through the Shareholders Assembly of Colverde; (ii) All capital expenditures over a particular threshold must be preapproved by the board of directors of the Resulting Issuer; (iii) All material source documents in Spanish or any other language other than English must be translated and scanned for accounting entries and recordkeeping purposes; (iv) Almost all of the Resulting Issuer's cash will be deposited with a Canadian bank in Toronto, Canada. Bank statements of Colverde will be reviewed by the CFO of the Resulting Issuer regularly.

Use of and reliance on experts

The Resulting Issuer expects to regularly rely on the expertise of its professional advisors and consultants, in particular legal counsel in Colombia and its auditors, MNP LLP, through Baker Tilly International, both of whom have no material relationship with the Resulting Issuer, and the directors of the Resulting Issuer and management of the Resulting Issuer are cognizant of the significance of any expert report or opinion rendered on behalf of the Resulting Issuer and the potential impact on the company of an error or inaccuracy in the expert's work.

Enforcement of Legal Rights

The dispute resolution mechanism set out in the agreements relevant to both the Sativa Nativa Interest and the Colverde Transaction is arbitration-based under the Colombian law, with attempts by the parties to negotiate a resolution requirement to be made prior to such arbitration, called direct resolution.

With respect to future operations, judgments of Canadian courts based upon the civil liability provisions of Canadian securities law may be enforceable against the Resulting Issuer in Colombia. As a first step, recognition and enforcement of a foreign judgment requires that a special proceeding (called Exequatur) be filed before the Supreme Court of Justice in Colombia. Under no circumstances will Colombian courts or the Supreme Court of Justice in Colombia consider the substantive matters or the merits of the case; instead, such courts will only consider compliance with respect to legal formalities. A final and conclusive monetary judgment for a definite sum obtained against the Issuer in Canadian courts would be recognized by the courts in Colombia, provided that:

(a) the judgment complies with the formalities for enforceability under the laws of the country where it was issued;

(b) the judgment has been translated into Spanish by a Colombian public translator and has been duly legalized;

(c) the judgment has been issued by a competent court (according to its applicable laws) after valid service of process under the law of such court, other than in the case where Colombian courts consider that they have "exclusive jurisdiction" over the subject;

(d) the defendant was duly notified of the claim and allowed to present its defence (due process);

(e) the judgment is a final judgment and not subject to any further appeal (res judicata); and

(f) the judgment is not contrary to Colombian public policy.

Additional procedural steps must be taken before the Supreme Court of Justice in Colombia with respect to enforcement of a foreign judgment, which include the following:

(a) the party against whom the enforcement is requested must be notified;

(b) the defendant may submit formal defences within a 20 period, but it is prohibited from discussing the merits of the judgment;

(c) the Colombian State's Attorney must give an opinion stating whether the recognition should proceed or not;

(d) the Supreme Court of Justice in Colombia must issue its final decision, which is not subject to appeal, either approving or rejecting the recognition of the judgment; and

(e) if the judgment is recognized by the Supreme Court of Justice in Colombia, then its holder can proceed with its enforcement before a Colombian First Instance Court and file a summary action against the Issuer requesting the attachment and the auction of any assets located in Colombia or any other measure dealing with the enforcement of the judgment.

Asset-backed Securities

The Resulting Issuer does not have any asset-backed securities.

Mineral Projects

The Resulting Issuer does not have any mineral projects.

See "*General Development of the Business*" with respect to the Desert Hawk Sale.

Oil and Gas Operations

The Resulting Issuer does not have any oil and gas operations.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Consolidated Financial Information - Annual

Meadow Bay

The following table sets forth selected financial information for Meadow Bay for the years ended March 31, 2019, 2018 and 2017. Such information is derived from the financial statements of Meadow Bay and should be read in conjunction with such financial statements.

	2017	2018	2019
Total Revenue	$Nil	$Nil	$Nil
Income from Continuing Operations	$(795,588)	$(962,704)	$(624,235)
Net Income or (Loss)	$(795,361)	$(961,815)	$(22,846,007)
Total Assets	$28,443,012	$28,293,889	$6,348,559
Total Long-term Financial Liabilities	$Nil	$Nil	$Nil
Cash Dividends	None	None	None

See Schedule “A” for the Annual Audited Consolidated Financial Statements of Meadow Bay.

MVMD

The following table summarizes financial information of MVMD for the period from the date of incorporation (October 26, 2018) to its year end date of March 31, 2019. This summary financial information should only be read in conjunction with the MVMD Annual Financial Statements.

	Date of incorporation to March 31, 2019 (annual audited)
Operating Data:	
Total revenues	Nil
Net loss from operations	($897,032)
Basic and diluted loss per share	($0.01)
Balance Sheet Data:	
Total assets	$11,488,283
Total liabilities	$534,337

See Schedule “B” for the Annual Audited Consolidated Financial Statements of MVMD.

Consolidated Financial Information - Quarterly

The following tables set forth selected financial information for Meadow Bay. Such information is derived from the financial statements of Meadow Bay and should be read in conjunction with such financial statements.

	Jun 30 2019 $	Mar 31 2019 $	Dec 31 2018 $	Sep 30 2018 $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(89,971)	(22,379,853)	(94,944)	(189,868)

	Jun 30 2019 $	Mar 31 2019 $	Dec 31 2018 $	Sep 30 2018 $
Net income (loss)	(89,971)	(22,379,853)	(94,944)	(189,868)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	0.00	(0.47)	0.00	0.00
Net income (loss) per share	0.00	(0.47)	0.00	0.00

	Jun 30 2018 $	Mar 31 2018 $	Dec 31 2017 $	Sep 30 2017 $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(185,270)	(184,922)	(453,065)	(95,531)
Net income (loss)	(185,270)	(184,922)	(453,065)	(95,531)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	0.00	(0.01)	(0.01)	(0.01)
Net income (loss) per share	0.00	(0.01)	(0.01)	(0.01)

See Schedule "A" for the Annual Audited Consolidated Financial Statements of Meadow Bay and Schedule "C" for the interim unaudited financial statements of Meadow Bay for the three-month period ended June 30, 2019.

Pro-Forma Financial Information of the Resulting Issuer

The following tables set forth selected financial information for the Resulting Issuer. Such information is derived from the Consolidated Pro-Forma Financial Statements pro-forma financial statements of the Resulting Issuer and should be read in conjunction with such financial statements.

	Mar 31 2019 $
Income Statement Data	
Total Revenues	Nil
Income (loss) before discontinued operations and extraordinary items	(1,521,267)
Net income (loss)	(1,521,267)
Income (loss) per common share outstanding	
Income (loss) per share before discontinued operations and extraordinary items	(0.01)
Net income (loss) per share	(0.01)

	Mar 31 2019 $
Financial Position	
Current Assets	10,220,881
Total Assets	13,530,810
Total Liabilities	1,140,312
Shareholder Equity	12,390,498

Dividends

Meadow Bay

Neither Meadow Bay, nor its subsidiary, have declared distributions on their respective issued and outstanding shares in the past.

Any future determination to pay distributions will be at the discretion of the respective Boards of Directors of Meadow Bay, MVMD or their subsidiaries and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that each such Board of Directors deems relevant.

MVMD

No dividends on MVMD Shares have been paid to date.

Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of Meadow Bay shall be, prepared in accordance with International Financial Reporting Standards.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Meadow Bay's MD&As for the year ended March 31, 2019 and for the three months ended June 30, 2019 are attached to this Listing Statement as Schedule "D" and "F".

A copy of the MVMD's annual MD&A for the period from the date of incorporation to its year end date of March 31, 2019 is attached to this Listing Statement as Schedule "E".

The MVMD MD&A should be read in conjunction with the audited financial statements and the notes thereto for the period from the date of incorporation to its year end date of March 31, 2019.

MARKET FOR SECURITIES

Meadow Bay Shares are currently traded on the CSE under the symbol "MAY". Meadow Bay will apply to the CSE to list the Meadow Bay Shares issuable to MVMD Shareholders under the Transaction. It is a condition of closing that Meadow Bay will have obtained approval from the CSE for the listing of the Meadow Bay Shares to be issued pursuant to the Transaction subject only to the customary listing conditions of the CSE and approval from the CSE for the Transaction. The Transaction constitutes a fundamental change and Meadow Bay is requalifying following the completion of the Transaction. In connection with the completion of the Transaction, Meadow Bay anticipates changing its name from "Meadow Bay Gold Corporation." to "Mountain Valley MD Holdings Inc." and in connection with such name change the new trading symbol for the Resulting Issuer is intended to be "MVMD".

CONSOLIDATED CAPITALIZATION

The following table summarizes the Resulting Issuer's pro forma common shares, on a consolidated basis, after giving effect to the Transaction as described in the pro forma financial statements of the Resulting Issuer, a copy of which is attached as Schedule "G".

Designation of Security	Amount Authorized	Anticipated Resulting Issuer Shares Outstanding (as of the effective date of the Transaction, post-Consolidation)
Common Shares	Unlimited	243,691,261
Class B Shares (not listed)	Unlimited	50,056,229

Fully Diluted Share Capital

The following table summarizes the Resulting Issuer's pro forma fully diluted share capital, on a consolidated basis, after giving effect to the Transaction, but excludes the Resulting Issuer Class B Shares (see "General Development of the Business" and "Description of the Securities").

	Anticipated Resulting Issuer Shares Outstanding (as of the effective date of the Transaction, post-Consolidation)
Meadow Bay Shares issued and outstanding	7,257,027
Resulting Issuer Shares issued to MVMD Shareholders pursuant to the Transaction, including 2,616,793 MVMD Shares (consisting of MVMD Class A Shares and MVMD Class B Shares) issued pursuant to the MVMD Private Placement	229,547,800
Resulting Issuer Shares to be issued to finders in connection with the Transaction (approximate, based on total MVMD Shares pre-Transaction)	6,886,434
Total Resulting Issuer Shares	**243,691,261**
Reserved for issuance pursuant to warrants of Meadow Bay including the DH Conversion Warrants and the DH Convertible Debenture Warrants, excluding the Conversion Warrants and Convertible Debenture Warrants issued to MVMD	1,399,940
Reserved for issuance pursuant to the DH Convertible Debentures, excluding the Convertible Debentures issued to MVMD	875,000
Reserved for issuance pursuant to options of Meadow Bay	449,219
Reserved for issuance pursuant to MVMD Warrants issued and outstanding as at the date of this Listing Statement, including 1,308,397 MVMD Warrants issued pursuant to the MVMD Private Placement	51,212,556
Reserved for issuance pursuant to the balance of the Resulting Issuer Shares to be issued to the Smartek Parties (subject to achievement of deliverables)	15,000,000
Reserved for issuance pursuant to warrants to be issued to the Smartek Parties (subject to achievement of deliverables)	12,500,000
Reserved for issuance pursuant to MVMD Options	8,288,500
Total Resulting Issuer Shares Reserved for Issuance	**89,725,215**
Total Number of Fully Diluted Securities	**333,416,476**

OPTIONS TO PURCHASE SECURITIES

The Resulting Issuer's Plan (the "Plan") is a "rolling" stock option plan, pursuant to which a maximum of 10% of the issued and outstanding Meadow Bay Common Shares at the time an option is granted may be reserved for issuance pursuant to the exercise of incentive stock options. The Plan was approved by the Board of Meadow Bay on October 20, 2017 and was ratified and approved by shareholders at Meadow Bay's annual general meeting held on November 17, 2017.

The purpose of the Plan is to provide incentives to qualified persons to increase their proprietary interest in the Resulting Issuer and thereby encourage their continuing association with Meadow Bay. The Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of Meadow Bay.

Prior to completion of the Transaction, 3,593,750 options were outstanding, representing 6.19% of the outstanding Meadow Bay Common Shares. After giving effect to the Transaction, post-Consolidation, 8,737,719 options are outstanding, representing approximately 3.6% of the outstanding Resulting Issuer Shares as at the date of this Listing Statement.

See *Description of Stock Option Plan* in Schedule "H" - *Statement of Executive Compensation of Meadow Bay* attached to this Listing Statement for additional information about the Plan.

Meadow Bay

The following table sets out equity compensation plan information as at the year ended March 31, 2019 (pre-Consolidation):

	Number of securities to be issued upon exercise of outstanding options (a)	**Weighted-average exercise price of outstanding options, warrants and rights ($) (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by securityholders	3,862,500	0.29	1,143,122
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL:	**3,862,500**	**0.29**	**1,143,122**

MVMD

The following table sets forth the options to purchase securities (the "Options") held by former or present directors, executive officers and consultants of MVMD, which Options will be exercisable into common shares of the Resulting Issuer upon completion of the Transaction.

Holders	**Aggregate Number of Directors, Executive Officers or Consultants**	**Number of Outstanding Options**	**Exercise Price**	**Expiry Date**
Executive Officers and Directors	4	4,438,500	$0.05	5 years from listing date

Consultants	5	3,850,000	$0.05	5 years from listing date

DESCRIPTION OF THE SECURITIES

The authorized share capital of the Resulting Issuer consists of an unlimited number of common shares (the "Resulting Issuer Shares") and an unlimited number of Class B Non-Voting Common shares, without par value (the "Resulting Issuer Class B Shares"). As at the date of this Listing Statement, there are 243,691,261 Resulting Issuer Shares issued and outstanding, including 2,616,793Resulting Issuer Shares issued pursuant to the MVMD Private Placement.

The Resulting Issuer Shares and the Resulting Issuer Class B Shares will have the same attributes as the Meadow Bay Class B Shares and the Meadow Bay Common Shares, respectively. The issued share capital of Meadow Bay will change as a result of the Consolidation and the issuance of the Meadow Bay Class B Shares in connection with the Desert Hawk Sale and as a result of the issuance of the Resulting Issuer Shares pursuant to the Transaction.

Resulting Issuer Shares

Subject to the BCBCA, the holders of Resulting Issuer Shares are entitled to receive dividends if, as and when authorized and declared by the directors of the Resulting Issuer. In the event of liquidation, dissolution or winding up of the Resulting Issuer, whether voluntary or involuntary, or other distribution of assets or property of the Resulting Issuer amongst the Resulting Issuer Shareholders for the purpose of winding up its affairs, the Resulting Issuer Shareholders shall be entitled to receive all property and assets of the Resulting Issuer properly distributable to the Resulting Issuer Shareholders. The Resulting Issuer Shareholders shall be entitled to vote at all meetings of the Resulting Issuer and at all such meetings each such holder has, on a vote by show of hands, one vote, and, on a poll, one vote in respect of each Resulting Issuer Share held. There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Resulting Issuer Class B Shares

The holders of the Resulting Issuer Class B Shares will not be entitled as such to receive notice of or to attend any meeting of the shareholders of or to vote at any such meeting, except that (a) the holders of the Resulting Issuer Class B Shares will be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of or the sale, lease or exchange of all or substantially all of the property of other than in the ordinary course of business of the Resulting Issuer and (b) the approval of the holders of the Resulting Issuer Class B Shares will be required to add to, vary or delete the special rights and restrictions attaching to the Resulting Issuer Class B Shares. All but not less than all of the Resulting Issuer Class B Shares shall be redeemed on the Redemption Date (as defined below) for an amount per share equal to the total of the Class B Share Entitlement (as defined below). In the event of the liquidation, dissolution or winding up of or any other distribution of the assets of among its shareholders for the purpose of winding up its affairs, each holder of a Class B Share will be entitled to its pro rata share of the Class B Share Total Entitlement, if any. If: (a) the Resulting Issuer determines, by way of a resolution of its Board of Directors, to distribute the 10,000,000 Casino Gold Shares that were acquired and held by the Resulting Issuer as consideration for the Desert Hawk Sale pursuant to the Casino Gold Agreement to the holders of Resulting Issuer Class B Shares; or (b) the Resulting Issuer completes the sale of all or any portion of the Casino Gold Shares, the Resulting Issuer will redeem all but not less than all of the then outstanding Resulting Issuer Class B Shares for the Redemption Price (as defined below).

"Redemption Date" is defined as the date that is 60 days after the earlier of: (a) the date on which the Resulting Issuer determines, by way of a resolution of its Board of Directors, to distribute the Casino Gold Shares to the holders of Resulting Issuer Class B Shares; and (b) the date on which the Resulting Issuer has completed the sale of all or any portion of the Casino Gold Shares. "Redemption Price" is defined as the amount per Class B Share equal to the Class B Share Total Entitlement, if any, as of the Redemption Date (as defined below) divided by the number of Resulting Issuer Class B Shares issued and outstanding at that time. "Class B Share Total Entitlement" is defined as (a) the 10,000,000 Casino Gold Shares, along with any dividends or distributions received from Casino by virtue of the Resulting Issuer being a holder of the Casino Gold Shares, or any other securities or property received by the Resulting Issuer in exchange for the Casino Gold Shares as a result of any merger, amalgamation, arrangement, reorganization or other restructuring involving Casino; or (b) in the event that the Resulting Issuer has disposed of any or all of the 10,000,000 Casino Gold Shares, the proceeds arising from such disposal in whatever form along with the remainder of the Casino Gold Shares not disposed of by the Resulting Issuer, if any.

This summary of the rights attached to the Resulting Issuer Class B Shares is qualified in its entirety by reference to the full provisions of the Resulting Issuer Class B Shares which are to be set out in Articles of the Resulting Issuer. Reference should be made to the full provisions of the Resulting Issuer Class B Shares for complete details of the rights and restrictions to be attached to the Resulting Issuer Class B Shares.

There are no debt securities or securities other than equity securities or debt securities being listed.

MVMD's Warrants and MVMD's options will be exercisable into the Resulting Issuer Shares.

As at the date of this Listing Statement, there are 8,737,719 stock options outstanding to acquire Resulting Issuer Shares.

As at the date of this Listing Statement, there are 51,737,496 common share purchase warrants outstanding to acquire Resulting Issuer Shares, including 1,308,397 share purchase warrants issued pursuant to the MVMD Private Placement.

The characteristics of the MVMD Warrants, comprising 51,212,556 of the common share purchase warrants, including 1,308,397 share purchase warrants issued pursuant to the MVMD Private Placement, are described in the section entitled "General Development of the Business".

The characteristics of the DH Convertible Debenture Warrants are described in the section entitled "General Development of the Business."

Each Meadow Bay Warrant will entitle the holder to acquire one additional common share per share for a period of five (5) years from the date of issuance, 2,547,493 at an exercise price of $2.24 post-Consolidation and 1,302,025 at an exercise price of $1.92 post-Consolidation.

Prior Sales

<u>Meadow Bay</u>

The following table summarizes the issuances of securities of Meadow Bay within 12 months prior to the date hereof:

Date of Issue	Description	Number of Securities	Price per Share	Total Issue Price
July 11, 2019	Convertible Debenture Units[(1)]	350	$1,000	$350,000

Date of Issue	Description	Number of Securities	Price per Share	Total Issue Price
October 7, 2019	DH Convertible Debenture Units(1)	350	$1,000	$350,000
February 13, 2020	Meadow Bay Common Shares(2)	7,999,992	$0.035	$280,000

Note:
(1) See "*General Development of the Business – The Transaction*"
(2) Finder fee on a pre-Consolidation basis (999,999 Resulting Issuer Shares on a post-Consolidation basis) in connection with the Casino Gold Transaction. See "*General Development of the Business*".

MVMD

The following table summarizes the issuances of securities of MVMD within 12 months prior to the date hereof, excluding the :

Date of Issue	Description	Number of Common Shares	Price per Share	Total Issue Price
December 7, 2018	Founder Shares – Private Placement (MVMD Class A Shares)	45,000,000	$0.005	$225,000
December 21, 2018	Private Placement (MVMD Class A Shares)	25,625,000	$0.02	$512,500
January 9, 2019	Private Placement (MVMD Class B Shares)	12,260,000	$0.05	$613,000
January 10, 2019	Share Exchange (MVM) (MVMD Class B Shares)	54,206,148	$0.028	$1,496,564
February 21, 2019	Private Placement (MVMD Class B Shares)	38,388,910	$0.20	$7,677,782
March 8, 2019	Private Placement (MVMD Class B Shares)	4,114,537	$0.20	$822,907
March 18, 2019	Private Placement (MVMD Class B Shares)	3,098,212	$0.20	$619,642
April 11, 2019	Share Acquisition (Sativa Nativa) – Consideration Shares (MVMD Class B Shares)	11,000,000	$0.20	$2,200,000
June 5, 2019	Private Placement (MVMD Class B Shares)	4,302,500	$0.20	$860,500
June 10, 2019	Share Acquisition – (CCJC) – Consideration Shares (MVMD Class B Shares)	5,000,000	$0.20	$5,000,000
July 3, 2019	Consulting Fees (MVMD Class B Shares)	773,000	$0.20	$154,600
September 29, 2019	Consulting Fees (MVMD Class B Shares)	862,500	$0.20	$172,500
December 23, 2019	Share Acquisition (Colverde)	9,750,000	$0.20	$1,950,000
January 24, 2020	Private Placement (MVMD Class B Shares)	2,616,793	$.040	$1,046,717
February 10, 2020	Asset Acquisition (Smartek) (including finders fee)	12,400,000	$0.20	$2,480,000
Total:		**133,996,500**		**$20,015,647**

Stock Exchange Price

The following table sets forth the trading prices and volume on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

Period	High	Low	Volume
	($)	($)	
January 2, 2020 to present	0.035	0.035	(halted)
December 2019	0.035	0.035	(halted)
November 2019..	0.035	0.035	(halted)
October 2019...	0.035	0.035	(halted)
July – September 2019.............................	0.035	0.035	(halted)
April - June 2019	0.045	0.025	1,716,647
January - March 2019	0.055	0.025	1,433,399
October - December 2018........................	0.045	0.03	3,660,529
July - September 2018	0.085	0.03	7,546,276
April - June 2018	0.20	0.07	6,374,454
January - March 2018	0.36	0.17	4,904,001

ESCROWED SECURITIES

As required under the policies of the CSE, certain Principals of the Resulting Issuer will enter into an escrow agreement as if the Resulting Issuer was subject to the requirements of National Policy 46-201 - Escrow for Initial Public Offerings ("NP 46-201"). Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released upon completion of the Transaction followed by six subsequent releases of 15% every six months thereafter. The form of the escrow agreement must be as provided in NP 46-201. Principals who qualify for an exemption pursuant to NP 46-201 are excluded.

The table below includes the details of escrowed securities that are expected to be held by Principals of the Resulting Issuer upon the completion of the Transaction, subject to exemption pursuant to NP 46-201:

Name of Securityholder	Designation of Class Held in Escrow	Number of Securities Held in Escrow	Percentage of Class(1)
Dennis Hancock	Common Shares	2,446,875(2)	1%
Total		**2,446,875**	**1%**

Note:
(1) Based on 243,691,261 issued and outstanding Resulting Issuer Shares as at the date of this Listing Statement, after giving effect to the MVMD Private Placement.
(2) Held in whole or in part through a corporation owned and/or controlled by the securityholder.

Additional Trading Restrictions

In addition to the escrow conditions above, certain trading restrictions/holds will be imposed on certain of the Resulting Issuer Shares, as follows:

(a) an aggregate of 52,520,952 Resulting Issuer Shares and the common shares of the Resulting Issuer underlying 51,212,556 MVMD Warrants, issued to MVMD Shareholders pursuant to the MVMD Private Placement as well as, previously, to subscribers to the private placement offering of units by MVMD between February 21, 2019 and June 5, 2019, are subject to trading restrictions, whereby holders of such securities will be entitled to trade such securities as to 1/3 60 days following the completion of the Transaction, an additional 1/3 120 days following the completion of the Transaction, and an additional/the final 1/3 as of 180 days following completion of the Transaction;

(b) 54,206,148 MVMD Shares, issued pursuant to the share exchange transaction between MVMD and MVM on January 10, 2019, will be subject to trading restrictions such that 10% of the such MVMD Shares will be free trading upon the Listing Date and the remaining 90% shall become freely tradeable as follows: (i) 15% six (6) months following the Listing Date; (ii) 25% 12 months following the Listing Date; (iii) 25% 18 months following the Listing Date; and (iv) 25% 24 months following the Listing Date;

(c) 10,000,000 MVMD Class B Shares issued to the Smartek Parties are subject to a four-month hold period from the date of closing (see section entitled "General Description of Business"); and

(d) the 43,750 Resulting Issuer Shares issuable upon exercise of the DH Convertible Debenture Warrants, 875,000 Resulting Issuer Shares issuable upon conversion of the DH Convertible Debentures and 875,000 Resulting Issuer Shares issuable upon the exercise of the DH Conversion Warrants, are subject to a four month hold period, terminating on February 8, 2020, pursuant to the provisions of section 2.3 of National Instrument 45-102 – Resale of Securities of the Canadian Securities Administrators.

PRINCIPAL SHAREHOLDERS

To the best of the knowledge of the directors and officers of Meadow Bay and MVMD, as of the date of this Listing Statement, there is no principal shareholder who will own more than 10% of the issued and outstanding shares of the Resulting Issuer.

DIRECTORS AND OFFICERS

Following the completion of the Transaction, the board of directors of the Resulting Issuer will initially be comprised of the following four (4) persons: Dennis Hancock, Lucie Letellier, Nancy Richardson and Kevin Puloski.

The directors of the Resulting Issuer will hold office until the next annual general meeting of Shareholders of the Resulting issuer or until their respective successors have been duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer or within the provision of the BCBCA.

The following table sets forth certain information regarding the individuals who will serve as directors of the Resulting Issuer, including their place of residence, age, status as independent or non-independent, each director's principal occupation, business or employment for the past five years and the number of Resulting

Issuer Shares that are expected to be beneficially owned by each director, directly or indirectly, or over which each director will exercise control or direction, following the completion of the Transaction.

Name, place of residence and position with Resulting Issuer	Principal occupation during the last five years	Date of appoint-ment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transaction(1)(4)
Dennis Hancock(2) Ontario, Canada President, CEO and Director	President and CEO of MVMD from June 10, 2019 to present (and marketing and business development consultant since December 1, 2018); Founding Partner of Performance Spark since August of 2016 and President of Brand Soapbox since September 2012.	Proposed	2,446,875 (1%)
Lucie LetellierQuebec, Canada CFO and Director	Former CFO of: Crestwell Resources (CSE CER), Everton Resources Inc. (EVR: TSX-V) and Albert Mining Inc. (MJX: TSX-V).	Proposed	1,250,000 (<1%)
Kevin Puloski(2)(3) Ontario, Canada Director	Kevin currently spearheads genetic development as well as strategic land acquisitions in India and Uganda for the hemp and cannabis industry. He also maintains his position as president and CEO of Pund-IT; an IT business technology firm that is focused on helping to bring technology solutions to a wide variety of industries. Also: Chief Information Officer (CIO) for Pavestone Company Inc. and Director of User Education at SSA Global (Infor).	Proposed	250,000 (<1%)
Nancy Richardson(2)(3) Ontario, Canada Director	Ms. Richardson, a veteran of the pharmaceutical and agency world, developed continuing medical education for physicians, pharmacists and nurses for over two decades. Together with her business partner, she ran a successful multi-million-dollar medical communications agency for twelve years, bringing numerous drugs to market, overseeing accounts, generating sales and managing daily operations. She is an experienced pharmaceutical marketing strategist, facilitator and project manager, who conducted countless advisory boards across the globe. Ms. Richardson successfully sold her business in 2017, and is now acting as VP of Client Service for LWT Communications, a localization agency with offices in North America and Europe. Prior to her career in Canada, she worked in Belgrade, Serbia as a translator for the Canadian Embassy and Reuters, and delivered the news on national television in English for foreigners residing in the former Yugoslavia.	Proposed	100,000 (<1%)

Notes:

(1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Resulting Issuer and has been furnished by the respective individuals.
(2) Member of the audit committee.
(3) Independent director.

(4) Based on 243,691,261 issued and outstanding Resulting Issuer Shares.

Board of Directors Committees

The Resulting Issuer will have one committee: the Audit Committee. The Audit Committee of the Resulting Issuer will consist of the following members:

Dennis Hancock	Non-Independent Member
Kevin Puloski	Independent Member
Nancy Richardson	Independent Member

The Resulting Issuer Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Resulting Issuer's Audit Committee will be to assist the Resulting Issuer Board in discharging the oversight of:

a. the integrity of the Resulting Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;

b. the Resulting Issuer's compliance with legal and regulatory requirements;

c. the Resulting Issuer's external auditors' qualifications and independence;

d. the work and performance of the Resulting Issuer's financial management and its external auditors; and

e. the Resulting Issuer's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Resulting Issuer Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities and personnel and may request any information about the Resulting Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Resulting Issuer Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

Exemptions

The Resulting Issuer is a "venture issuer" as defined in NI 51-102, and, as such, the Resulting Issuer is relying on the exemption contained in section 6.1 of NI 52-110, which exempts the Resulting Issuer from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations), a majority of which are independent directors.

Management

The following sets out details of the proposed directors and management of the Resulting Issuer:

<u>Dennis Hancock – President, CEO and Director, Age 48</u>

Dennis Hancock is the President, CEO and a director of the Resulting Issuer and provides his services to the Resulting Issuer on a close to full-time basis. He has served as an officer and director of MVMD since June 10, 2019 and will devote approximately 90% of his time to the affairs of the Resulting Issuer. Mr. Hancock is also a member of the Audit Committee of the Resulting Issuer.

Mr. Hancock is a senior sales and marketing executive with over 25 years of experience spanning automotive, tech, telecom, retail and financial services sectors. Mr. Hancock spent more than 12 years in a leadership role at one of North America's leading performance improvement and Loyalty providers, Maritz, who works with 70% of the world's Super 50 companies. Mr. Hancock led publicly traded ZENN Motor Company as the Vice President of Sales and Marketing. As a senior officer at ZMC, Mr. Hancock drove the establishment of ZENN – (Zero Emission, No Noise) as one of the most recognized "green tech" brands in North America. Mr. Hancock has several start-ups established, including PerformanceSPARK, an agency that works with leading organizations to identify and deliver on the key elements necessary to drive measurable performance growth, and co-founder of CrowdSeating Inc., an innovative social concert platform that provides fans with a conduit to crowdfund their favorite artist for a unique concert experience.

Mr. Hancock holds 0.83% of the Resulting Issuer Shares after the Transaction on a fully diluted basis.
Mr. Hancock graduated in 1994 from Humber College of Applied Arts & Technology's Public Relations program on the Deans Honour Roll. During his time at Humber, Dennis was elected Vice-President of Students Council.

Lucie Letellier – CFO and Director, Age 58

Lucie Letellier is the CFO and a director of the Resulting Issuer and provides her services to the Resulting Issuer. Prior to becoming an officer and director of the Resulting Issuer, Ms. Letellier acted as Controller of MVMD. Ms. Letellier will devote approximately 85% of her time to the affairs of the Resulting Issuer.

Ms. Letellier is a financial professional with specialization in finance and accounting having spent over 25 years in public accounting. From 2005 to 2010 Ms. Letellier was the CFO of Paramount Gold and Silver Corp. (NYSE/TSX: PZG) having contributed to the development of the company from a private enterprise through private capital raising and 2 public listings overseeing $30 million in equity financing. Paramount Gold was later acquired by Coeur Mining (NYS: CDE) for $200 million. Ms. Letellier was also the CFO of Crestwell Resources (CSE CER) up to acquisition by Organic Garage Ltd. Most recently, Lucie was CFO of Everton Resources Inc. (EVR: TSX-V) and Albert Mining Inc. (MJX: TSX-V). Her work experience also includes credit and loan officer and controller for private enterprises. Her skills include financial reporting for US and Canadian pubic companies, tax compliance, corporate governance and continuous disclosure requirements.

Ms. Letellier holds 0.38% of the Resulting Issuer Shares after the Transaction on a fully diluted basis.

Kevin Puloski – Director, Age 44

Kevin Puloski is a director and member of the Audit Committee of the Resulting Issuer and provides his services to the Resulting Issuer on a part-time basis. Mr. Puloski will devote approximately 5% of his time to the affairs of the Resulting Issuer.

Mr. Puloski is an entrepreneur and visionary. With over 26 years of executive experience, he has developed an astute ability to identify global market trends and partners with key people and organizations to ensure success in all his endeavors. Mr. Puloski currently spearheads genetic development as well as strategic land acquisitions in India and Uganda for the hemp and cannabis industry. He also maintains his positionas president and CEO of Pund-IT; an IT business technology firm that is focused on helping to bring technology solutions to a wide variety of industries. Most recently, the company has moved into the cannabis space giving Mr. Puloski the opportunity to combine two of his passions. Mr. Puloski has had many roles over the years including Chief Information Officer (CIO) for Pavestone Company Inc. and Director of User Education at SSA Global (Infor).

Mr. Puloski's love of collaboration and networking has led him to hold board positions in not-for-profit, financial, healthcare, manufacturing, and digital media organizations. He is a founding member of the Entrepreneurs Organization (EO) of South Western Ontario and continues to play an active role in the chapter. Mr. Puloski takes time to speak, educate and advocate in the ever-evolving Cannabis & Hemp Industry.

Mr. Puloski graduated in 1996 from Algonquin College of Applied Arts and Technology and obtain a Bachelor of Arts in Business Administration in 2004 from the University of Phoenix.

Mr. Puloski holds 0.1% of the Resulting Issuer Shares after the Transaction on a fully diluted basis.

<u>Nancy Richardson - Director, Age 56</u>

Nancy Richardson will be providing her services to the Resulting Issuer on a part-time basis and will devote approximately 5% of her time to the affairs of the Resulting Issuer.

Ms. Richardson, a veteran of the pharmaceutical and agency world, developed continuing medical education for physicians, pharmacists and nurses for over two decades. Together with her business partner, she ran a successful multi-million-dollar medical communications agency for twelve years, bringing numerous drugs to market, overseeing accounts, generating sales and managing daily operations. She is an experienced pharmaceutical marketing strategist, facilitator and project manager, who conducted countless advisory boards across the globe. Ms. Richardson successfully sold her business in 2017 and is now acting as VP of Client Service for LWT Communications, a localization agency with offices in North America and Europe. Prior to her career in Canada, she worked in Belgrade, Serbia as a translator for the Canadian Embassy and Reuters and delivered the news on national television in English for foreigners residing in the former Yugoslavia.

Ms. Richardson currently serves on the Board of Directors of the Institute of Cultural Affairs Canada, an organization that brings leadership and facilitation expertise to communities in need all over the world.

Ms. Richardson holds a Bachelor of Arts in English Linguistics and Literature from the University of Belgrade (1987), and a Bachelor of Science in Physiology from the University of Toronto (1997).

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, to the best of the directors and officers of Meadow Bay and MVMD's knowledge, as at the date of this Listing Statement, and within the last 10 years before the date of this Listing Statement, no proposed director (or any of their personal holding companies) of the Resulting Issuer was a director, CEO or CFO of any company that:

(a) was subject to a cease trade or similar order ("CTO") or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or

(b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Penalties or Sanctions

None of the proposed directors (or any of their personal holding companies) of the Resulting Issuer has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

CAPITALIZATION

To the best knowledge of the Resulting Issuer, the following table sets out the number of Resulting Issuer Shares available in the Resulting Issuer's Public Float and Freely-Tradeable Float on a diluted and non-diluted basis, after giving effect to the Consolidation and the Transaction, and based on estimated gross proceeds of $1,000,000 pursuant to the MVMD Private Placement:

Issued Capital

	Number of Securities (non-diluted)	**Number of Securities (fully diluted)** (1)	**%of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	243,691,261	333,416,476	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	17,546,875	15,938,500	7.2%	7.84%
Total Public Float (A-B)	226,144,386	317,477,976	92.8%	95.22%
Freely-Tradeable Float				

	Number of Securities (non-diluted)	Number of Securities (fully diluted) (1)	%of Issued (non-diluted)	% of Issued (fully diluted)
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	128,277,100	181,606,843	52.64%	15.99%
Total Tradeable Float (A-C)	115,414,162	280,086,732	47.36%	84.01%

Notes:
(1) Excluding securities issuable to MVMD pursuant to Convertible Debentures issued to MVMD.

Public Securityholders (Registered)

The following is based on combination of a list of registered shareholders of Meadow Bay dated October 11, 2019 as if the Consolidation had been completed as at such date and a list of registered shareholders of MVMD dated December 31, 2019 (which excludes those securities issued pursuant to the MVMD Private Placement and the Smartek Transaction).

Class of Security: Resulting Issuer Common Shares		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	119	5,244
100 – 499 securities	160	38,909
500 – 999 securities	77	54,328
1,000 – 1,999 securities	71	104,648
2,000 – 2,999 securities	37	93,726
3,000 – 3,999 securities	20	66,608
4,000 – 4,999 securities	13	57,642
5,000 or more securities	103	5,940,317
	496	221,567,438

Public Securityholders (Beneficial)

The following is based on share range reports obtained by Meadow Bay dated September 30, 2019 from Broadridge US and Broadridge Canada (sums combined) prior to giving effect to the Consolidation.

Class of Security: Resulting Issuer Common Shares		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	69	2733
100 – 499 securities	124	41,257
500 – 999 securities	136	87,425
1,000 – 1,999 securities	142	180,854
2,000 – 2,999 securities	119	285,592
3,000 – 3,999 securities	44	150,307
4,000 – 4,999 securities	31	134,428
5,000 or more securities	470	45,063,639
Unable to confirm	55	558,728

The following is based on a list of beneficial shareholders of MVMD as at December 31, 2019 (excluding MVMD Shares issued pursuant to the MVMD Private Placement).

Class of Security: Resulting Issuer Common Shares		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil

Class of Security: Resulting Issuer Common Shares

Size of Holding	Number of holders	Total number of securities
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	292	217,677,882
Unable to confirm	Nil	Nil

Non-Public Securityholders (Registered)

Class of Security: Registered Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	5	17,546,875
	5	17,546,875

EXECUTIVE COMPENSATION

Meadow Bay's executive compensation disclosure for its most recent fiscal year ended March 31, 2019 is attached hereto as Schedule "H" in Meadow Bay's Statement of Executive Compensation.

Compensation Discussion and Analysis for the Resulting Issuer

The Resulting Issuer will have two NEOs (as defined in Meadow Bay's Statement of Executive Compensation) following the completion of the Transaction: Dennis Hancock, CEO and Lucie Letellier, CFO. The aggregate compensation to be paid to the NEOs, and to any other officers and directors that may be engaged by the Resulting Issuer following the completion of the Transaction, will be determined and approved by the Board of Directors of the Resulting Issuer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Upon completion of the Transaction, none of the directors or executive officers of the Resulting Issuer, nor any of their Associates, will be indebted to the Resulting Issuer, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer.

RISK FACTORS

The business of MVMD, which will be the business of the Resulting Issuer upon completion of the Transaction, is subject to certain risks and uncertainties as follows:

Prior to making any investment decision regarding MVMD, or the Resulting Issuer as the case may be, investors should carefully consider, among other things, the risk factors set forth below. While this Listing Statement has described the risks and uncertainties that management of Meadow Bay and MVMD believe to be material to the Resulting Issuer's business, it is possible that other risks and uncertainties affecting the Resulting Issuer's business will arise or become material in the future.

If the Resulting Issuer is unable to address these and other potential risks and uncertainties following the completion of the Transaction, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Resulting Issuer Shares could decline and an investor could lose all or part of their investment.

The following is a description of the principal risk factors that will affect the Resulting Issuer.

Limited Operating History

MVMD, whose respective businesses will comprise the business of the Resulting Issuer, has only limited operating results to date. MVMD has dedicated significant portions of its capital to creating infrastructure to capitalize on the opportunity for value creation that is emerging from the relaxing of local prohibitions on the cannabis industry in Canada and Colombia in particular. The Resulting Issuer's lack of extensive operating history makes it difficult for investors to evaluate the Resulting Issuer's prospects for success. Prospective investors should consider the risks and difficulties the Resulting Issuer might encounter, especially given the Resulting Issuer's lack of an extensive operating history or audited financial information. There is no assurance that the Resulting Issuer will be successful and the likelihood of success must be considered in light of its relatively early stage of operations.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results, financial condition or prospects.

Additional Financing

The Resulting Issuer will likely require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Profitability of the Resulting Issuer

The Resulting Issuer may experience difficulties in its development process, such as capacity constraints, quality control problems or other disruptions, which would make it more difficult to generate profits. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale or improvements in manufacturing processes and design could have a material adverse effect on the Resulting Issuer's business, prospects, results of operations and financial condition.

Ongoing Costs and Obligations

The Resulting Issuer expects to incur significant ongoing costs and obligations related to itsinvestment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Issuer's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Business Risks Reliance on Licenses and Authorizations

The operations of the Resulting Issuer may require it to obtain licences and/or permits for the production, packaging, storing, distribution, sale (whether wholesale or retail), export and/or import of cannabis and/or cannabis products and/or non-cannabis nutraceutical, nicotine, and/or pharmaceutical products in Canada, Colombia and other international jurisdictions. Non-cannabis Natural Health Products (Canada) and Dietary Supplements (US) also do or may require licenses or permits under relevant regulatory statutes. The Resulting Issuer is and/or will be in the process of applying or otherwise acquiring indirectly or directly those licences and/or permits it believes it requires to carry in order to operate and intends to apply for, as the need arises, all necessary licences and permits to carry on the activities it expects to conduct in the future. However, the ability of the Resulting Issuer to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies. There can be no guarantee such licenses or permits will issue to the Resulting Issuer or be maintained in force. Any loss of interest in any such required licence or permit, or the failure of any governmental authority to issue or renew such licences or permits upon acceptable terms, would have a material adverse impact upon the Resulting Issuer.

The licences and authorizations are subject to ongoing compliance and reporting requirements and the ability of the Resulting Issuer to obtain, sustain or renew any such licences and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies. Failure to comply with the requirements of the licences or authorizations or any failure to maintain the licences or authorizations would have a material adverse impact on the business, financial condition and operating results of the Resulting Issuer.

Although the Resulting Issuer believes that it will meet the requirements to obtain, sustain or renew the necessary licences and authorizations, there can be no guarantee that the applicable authorities will issue these licences or authorizations. Should the authorities fail to issue the necessary licences or authorizations, the Resulting Issuer may be curtailed or prohibited from proceeding with the development of its operations as currently proposed and the business, financial condition and results of the operation of the Resulting Issuer may be materially adversely affected.

Raw Materials and Supply

There is a risk that raw input materials or materials purchased from a third-party processor or producer could be contaminated with pesticides, heavy metals, mycotoxin, microbial agents or other contaminants.

All recreational markets that would sell brands produced or distributed by the Resulting Issuer would have to require quality assurance testing for each lot of final product and must be conducted by an independent, state certified, third-party testing laboratory with a statistically significant number of samples using acceptable methodologies to ensure that all lots manufactured of each marijuana product are adequately assessed for contaminants and the cannabinoid profile is correctly labeled for consumers.

If the Resulting Issuer’s licensed processors and co-packagers or other third-party services providers fail to have positive testing results, the Resulting Issuer could experience negative adverse effect onits operations and ability to produce and sell its products.

Competition

It is likely that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

Because of the early stage of the industry in which the Resulting Issuer will operate, the Resulting Issuer expects to face additional competition from new entrants. To become and remain competitive, the Resulting Issuer will require research and development, marketing, sales and support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

If the number of users of medical cannabis in Canada or Colombia or any other jurisdiction on which the Resulting Issuer will operate increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

New Industry and Market

The cannabis industry and market are relatively new in the jurisdictions in which the Resulting Issuer will operate and this industry and market may not continue to exist or grow as anticipated or the Resulting Issuer may ultimately be unable to succeed in this new industry and market. Licensed producers (assuming the Resulting Issuer obtains the required licences) are subject to general business risks, as well as risks associated with a business involving an agricultural product and a regulated consumer product. The Resulting Issuer will hold a non-controlling interest in a company that is licensed to harvest, extract, produce and sell both psychoactive (THC) and non-psychoactive (CBD) medical cannabis extract and is in the process of acquiring additional assets that will allow it to begin operations in Colombia. The Resulting Issuer will need to make potentially significant investments in order to both acquire and maintain requisite licences as well as begin to operate. There are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the cannabis industry and market could have a material adverse effect onthe Resulting Issuer's business, financial condition and results of operations.

Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) the Resulting Issuer may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Resulting Issuer's operations; and (vi) loss or reduction of control over certain of the Resulting Issuer's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations.

Unfavorable Publicity or Consumer Perception

The Resulting Issuer believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research or findings, regulatory investigations, litigation, media attention or other publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory investigations, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or other publicity could have a material adverse effect on the demand for medical cannabis and on the business, results of operations, financial condition, cash flows or prospects of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. There is no assurance that such adverse publicity reports or other media attention will not arise.

Product Liability

Upon becoming a producer or distributor of products designed to facilitate the ingestion of cannabis or other products by humans, the Resulting Issuer would face an inherent risk of exposure to product liability claims, regulatory action and litigation if its customers' products are alleged to have caused significant loss or injury. In addition, tampering by unauthorized third parties or product contamination with respect to the cannabis used in the Resulting Issuer's customers' products, or otherwise, may impact the risk of injury to consumers. Previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances or of other products could occur. As a supplier to manufacturers and distributors of products designed to facilitate the consumption of cannabis or other products, or in its role as an investor in or service provider to an entity that is a manufacturer, distributor and/or retailer of cannabis or other products, the Resulting Issuer may be subject to various product liability claims, including, among others, that the cannabis or non-cannabis product(s) caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer. There can be no assurances that the Resulting Issuer will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Resulting Issuer's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales. In addition, a product recall may require significant management attention. Although the Resulting Issuer will have detailed procedures in place for testing its products or require that third parties do the same where applicable, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Resulting Issuer's brands were subject to recall, the image of that brand and the Resulting Issuer could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Approvals

The Resulting Issuer may require advance approval of its products from authorities in the applicable jurisdiction. While the Resulting Issuer intends to follow the guidelines and regulations of each applicable local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of the Resulting Issuer's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Product Exchanges, Returns and Warranty Claims

If the Resulting Issuer is unable to maintain or cause the maintenance of an acceptable degree of quality control of products it produces or distributes, the Resulting Issuer may incur costs associated with the exchange and return of the products as well as servicing its customers for warranty claims. Any of the foregoing on a significant scale may have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Research and Development

Before the Resulting Issuer can obtain regulatory approval for the commercial sale of certain products, it would be required to complete extensive trial testing to demonstrate safety and efficacy. Depending on the exact nature of trial testing, such trials can be expensive and are difficult to design and implement. The testing process is also time consuming and can often be subject to unexpected delays.

The timing and completion of trial testing may be subject to significant delays relating to various causes, including: inability to manufacture or obtain sufficient quantities of units and or test subjects for use in trial testing; delays arising from collaborative partnerships; delays in obtaining regulatory approvals to commence a study, or government intervention to suspend or terminate a study; delays, suspensions or termination of trial testing due to the applicable institutional review board or independent ethics board responsible for overseeing the study to protect research subjects; delays in identifying and reaching agreement on acceptable terms with prospective trial testing sites and subjects; variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria; scheduling conflicts; difficulty in maintaining contact with subjects after testing, resulting in incomplete data; unforeseen safety issues or side effects; lack of efficacy during trial testing; reliance on research organizations to conduct trial testing, which may not conduct such trials with good laboratory practices; or other regulatory delays.

Difficulty in Developing Products

If the Resulting Issuer cannot successfully develop, manufacture and distribute products, or if the Resulting Issuer experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Resulting Issuer may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Resulting Issuer's ability to effectively enter the market. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale would have a material adverse effect on the Resulting Issuer's commercialization plans and the Resulting Issuer's business, prospects, results of operations and financial condition.

Success of New and Existing Products and Services

The Resulting Issuer has committed, and expects to continue to commit, significant resources and capital to develop and market new products and services. These products and services are relatively untested, and the Resulting Issuer cannot guarantee that it will achieve market acceptance for any new products and services that the Resulting Issuer may offer in the future. Moreover, these and other new products and services may be subject to significant competition with offerings by new and existing competitors in the business of manufacturing and distributing vaporizers and accessories. In addition, new products, services and enhancements may pose a variety of technical challenges and require the Resulting Issuer to attract additional qualified employees. The failure to successfully develop and market these new products, services or enhancements or to hire qualified employees could seriously harm the Resulting Issuer's business, financial condition and results of operations.

Continued Market Acceptance by Consumers

The Resulting Issuer would be substantially dependent on continued market acceptance of itsproducts or those products it may distribute by consumers. Although the Resulting Issuer believes that the use of products similar to certain of the products to be designed and manufactured by the Resulting Issuer is gaining international acceptance, the Resulting Issuer cannot predict the future growth rate and size of this market.

Promoting and Maintaining Brands

The Resulting Issuer believes that establishing and maintaining the brand identities of products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of brands will depend largely on success in providing high quality products. If customers and end users do not perceive the Resulting Issuer's products to be of high quality, or if the Resulting Issuer introduces new products or enters into new business ventures that are not favorably received by customers and end users, the Resulting Issuer will risk diluting brand identities and decreasing their attractiveness to existing and potential customers. Moreover, in order to attract and retain customers and to promote and maintain brand equity in response to competitive pressures, the Resulting Issuer may have to increase financial commitment to creating and maintaining a distinct brand loyalty among customers. If the Resulting Issuer incurs significant expenses in an attempt to promote and maintain brands, the business, results of operations and financial condition could be adversely affected.

Results of Future Clinical Research

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although MVMD and Meadow Bay believe that the articles, reports and studies support their respective beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective purchasers of the Resulting Issuer Shares should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for the Resulting Issuer's products with the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Reliance on Key Inputs

The distribution business is dependent on a number of key inputs and their related costs including raw materials and supplies related to product development and manufacturing operations. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the Resulting Issuer's business, financial condition, and results of operations or prospects. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Resulting Issuer might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Resulting Issuer in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, results of operations or prospects of the Resulting Issuer.

Dependence on Suppliers and Skilled Labour

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Resulting Issuer's capital expenditure plans may be significantly greater than anticipated by the Resulting Issuer's management, and may be greater than funds available to the Resulting Issuer, in which circumstance the Resulting Issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Difficulty to Forecast

The Resulting Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer.

Management of Growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Internal Controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and materially adversely affect the trading price of the Resulting Issuer Shares.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer, such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Resulting Issuer Shares. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Intellectual Property Risks

The Resulting Issuer will have certain intellectual property rights. Its business is likely to depend significantly on the protection of any acquired or developed intellectual property rights. The Resulting Issuer cannot offer any assurances about whether any patent or trademark applications which it may file or acquire will be granted. Even if trademark and patent applications are successfully approved, third parties may challenge their validity, enforceability, or scope, which may result in such trademarks or patents being narrowed, found unenforceable or invalidated. Even if they are unchallenged, any trademark or patent applications and future trademarks and patents may not adequately protect the Resulting Issuer's intellectual property, provide exclusivity for its products or processes, or prevent others from designing around any issued patent claims. Any of these outcomes could impair the Resulting Issuer's ability to prevent competition from third parties, which may have an adverse impact on the Resulting Issuer's business.

Unauthorized parties may also attempt to replicate or otherwise obtain and use the Resulting Issuer's intellectual property. Policing the unauthorized use of the Resulting Issuer's existing or future trademarks, patents or other intellectual property rights could be difficult, expensive, time consuming and unpredictable, as may be enforcing these rights. Identifying the unauthorized use of intellectual property rights is difficult as the Resulting Issuer may be unable to effectively monitor and evaluate the products being distributed by its competitors and the processes used to produce such products. In addition, in any infringement proceeding, the Resulting Issuer's existing or future trademarks, patents or other intellectual property rights or other proprietary know-how may be found invalid, unenforceable, anti-competitive or not infringed or may be interpreted narrowly and such proceeding could put existing intellectual property applications at risk of not being issued.

In addition, other parties may claim that the Resulting Issuer's products infringe on their proprietary or patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources and legal fees, result in injunctions or temporary restraining orders or require the payment of damages.

The Resulting Issuer expects that it will rely on certain developed or acquired trade secrets, technical know-how and proprietary information that are not protected by patents to maintain its competitive position. Such trade secrets, technical know-how and proprietary information, which are/would not be protected by patents, may become known to or be independently developed by competitors, which could adversely affect the Resulting Issuer.

The Resulting Issuer's success depends upon the skills, knowledge and experience of its scientific and technical personnel, consultants and advisors, as well as contractors. Because the Resulting Issuer will operate in a highly competitive industry, it intends to rely in part on trade secrets to protect its proprietary products and processes; however, trade secrets are difficult to protect. The Resulting Issuer enters into confidentiality or non-disclosure agreements with third parties. These agreements generally require that the receiving party keep confidential, and not disclose to third parties, confidential information developed by the receiving party or made known to the receiving party by the Resulting Issuer during the course of the receiving party's relationship with the Resulting Issuer. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to the Resulting Issuer will be its exclusive property, and the Resulting Issuer enters into assignment agreements to perfect its rights. These confidentiality, inventions and assignment agreements, where in place, may be breached and may not effectively assign intellectual property rights to the Resulting Issuer.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Information Technology Systems and Cyber-Attacks

The Resulting Issuer's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Resulting Issuer's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Resulting Issuer's reputation and results of operations.

The Resulting Issuer has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Resulting Issuer will not incur such losses in the future. The Resulting Issuer's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Resulting Issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Operating Risks and Insurance

The Resulting Issuer's operations will be subject to hazards inherent in the cannabis industry, such as equipment defects, malfunction and failures, natural disasters which result in fires, accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment, labour disputes, and changes in the regulatory environment. These risks could expose the Resulting Issuer to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

The Resulting Issuer will continuously monitor its operations for quality control and safety. However, there are no assurances that the Resulting Issuer's safety procedures will always prevent such damages. Although the Resulting Issuer will maintain insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Resulting Issuer will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits then maintained by the Resulting Issuer, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Resulting Issuer, the Resulting Issuer's ability to conduct normal business operations and on the Resulting Issuer's business, financial condition, results of operations and cash flows in the future.

Ability to Establish and Maintain Bank Accounts

There is a risk that banking institutions in countries where the Resulting Issuer will operate will not open accounts for the Resulting Issuer or will not accept payments or deposits from proceeds related to the cannabis industry. Such risks could increase costs for the Resulting Issuer or prevent the Resulting Issuer from expanding into certain jurisdictions.

Uninsured or Uninsurable Risk

The Resulting Issuer may be subject to liability for risks against which it cannot insure or against which the Resulting Issuer may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Resulting Issuer's normal business activities. Payment of liabilities for which the Resulting Issuer does not carry insurance may have a material adverse effect on the Resulting Issuer's financial position and operations.

Issuance of Debt

From time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Resulting Issuer's debt levels above industry standards for companies of similar size. Depending on future exploration and development plans, the Resulting Issuer may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Resulting Issuer. Neither the Resulting Issuer's notice of articles nor its articles will limit the amount of indebtedness that the Resulting Issuer may incur. As a result, the level of the Resulting Issuer's indebtedness from time to time, could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Dilution

The Resulting Issuer may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Resulting Issuer which may be dilutive to the other shareholders and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Resulting Issuer's financial estimates, projections and other forward-looking information accompanying this Listing Statement were prepared by Meadow Bay and MVMD without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should research Meadow Bay and MVMD and become familiar with the assumptions underlying any estimates, projections or other forward-looking information. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Resulting Issuer might achieve.

Discretion as to the Use of Available Funds

The Resulting Issuer's management will have broad discretion in how it uses the funds available to it. Management may use the available funds in ways that shareholders may not consider desirable. The results and the effectiveness of the application of the funds are uncertain. If the funds are not applied effectively, the results of the Resulting Issuer's operations may suffer. Management currently intends to allocate the available funds as described under "Total Funds Available", however, management may elect to allocate the funds differently from that described under "Total Funds Available" if it believes it would be in the Resulting Issuer's best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the available funds.

Certain Remedies and Rights to Indemnification may be Limited

The Resulting Issuer's governing documents will provide that the liability of its board of directors and officers is eliminated to the fullest extent allowed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Thus, the Resulting Issuer and the shareholders of the Resulting Issuer may be prevented from recovering damages for alleged errors or omissions made by the members of the board of directors of the Resulting Issuer and its officers. The Resulting Issuer's governing documents will also provide that the Resulting Issuer will, to the fullest extent permitted by law, indemnify members of the board of directors of the Resulting Issuer and its officers for certain liabilities incurred by them by virtue of their acts on behalf of the Resulting Issuer.

Going-Concern Risk

The pro forma financial statements of the Resulting Issuer have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Resulting Issuer will be successful in completing an equity or debt financing or in achieving profitability. The pro forma financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Client Acquisitions

The Resulting Issuer's success depends on its ability to attract and retain clients. There are many factors which could impact the Resulting Issuer's ability to attract and retain clients, including but not limited to the Resulting Issuer's ability to continually produce desirable and effective products, the successful implementation of the Resulting Issuer's client-acquisition plan and continued growth in the aggregate number of consumers choosing to use cannabis either recreationally or medically. The Resulting Issuer's failure to acquire and retain customers would have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

Credit Risk

The Resulting Issuer will be exposed to credit risk through its cash and cash equivalents. Credit risk arises from deposits with banks and outstanding receivables. The Resulting Issuer does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Acquisition Risks

The Resulting Issuer is likely to acquire additional assets and/or companies. There are risks inherentin any such acquisition. Although the Resulting Issuer will perform due diligence reviews of any assets or companies it intends to acquire, in whole or in part, there could be unknown or undisclosed risks, problems, hazards, liabilities, claims, or otherwise, for which the Resulting Issuer may not be sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Resulting Issuer's financial performance and results of operations. The Resulting Issuer could encounter additional costs or other factors such as the failure to realize all of the benefits from such acquisitions.

The Resulting Issuer may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired entity with its existing operations. If integration is not managed successfully by the Resulting Issuer's management, the Resulting Issuer may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on its business, financial condition and results of operations. The Resulting Issuer may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on management. There is no assurance that any such acquisitions will be successfully integrated in a timely manner.

Investment Risks

The Resulting Issuer is expected to acquire various assets and form relationships with third parties for mutual benefit. There can be no assurance that the Resulting Issuer will acquire favourable investment opportunities or that any such investments will generate revenues or profits. Failure to successfully manage the acquisition of investments could harm the Resulting Issuer's business, strategy and operating results in a material way. The transactions and their success may be exposed to a number of risks, including the risks that the Resulting Issuer may not be able to identify viable opportunities or, if it does identify viable opportunities, effect the transaction and that the investment may fail to perform.

In addition, the Resulting Issuer has co-invested and may again co-invest in one or more investments with certain strategic investors and/or other third parties through joint ventures or other arrangements, which parties in certain cases may have different interests or superior rights to those of the Resulting Issuer. In cases where the Resulting Issuer will not have a controlling interest, the Resulting Issuer may have a limited ability to protect its position in such investment. In addition, even when the Resulting Issuer does maintain a control position, such investments will be subject to typical risks associated with third-party involvement, including the possibility that a third-party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Resulting Issuer, or may be in a position to take (or block) action in a manner contrary to the Resulting Issuer's objectives. Although MVMD has tried and will continue to try to mitigate potential risks, the Resulting Issuer may also, in certain circumstances, be liable for the actions of its third-party partners or co-investors. Co-investments by third parties may or may not be on substantially the same terms and conditions as the Resulting Issuer and such different terms and conditions may be disadvantageous to the Resulting Issuer.

<u>Industry and Regulatory Risks</u>

Regulatory Regime

The business and activities of the Resulting Issuer are heavily regulated in all jurisdictions where it will carry on business. The Resulting Issuer's operations will be subject to various laws, regulations and guidelines by governmental authorities. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Resulting Issuer, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Resulting Issuer's products and services. Achievement of the Resulting Issuer's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Resulting Issuer cannot predict the impact of the compliance regime of jurisdictions in which it intends to operate, such as Colombia. Similarly, the Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance in both Canada and Colombia as well as any other jurisdictions in which it may operate. Failure to comply with regulations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate the Resulting Issuer's business, the suspension or expulsion from a particular market or jurisdiction or of its key personnel, and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Changes in Laws, Regulations and Guidelines

The Resulting Issuer's operations will be subject to various laws, regulations, guidelines and licensing requirements both in Canada, Colombia and abroad. While the Resulting Issuer is expected to be in compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Resulting Issuer could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Constraints on Marketing Products

The development of the Resulting Issuer's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in Canada and Colombia limits companies' abilities to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and results of operations could be adversely affected.

Economic Environment

The Resulting Issuer's operations could be affected by general the economic context conditions should the unemployment level, interest rates or inflation reach levels that influence consumer trends, and consequently, impact the Resulting Issuer's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Resulting Issuer's management.

Global Financial Conditions

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises.

Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Resulting Issuer's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the cannabis industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Resulting Issuer's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Risks Related to Investment in Company with International Assets

Economic and Political Risks Inherent with any International Investment

Certain of the Resulting Issuer's operations are or are expected to be located outside of Canada, such as Colombia. Consequently, the Resulting Issuer is or will be dependent upon each such international jurisdiction's economic and political developments. As a result, the Resulting Issuer's business, financial position and results of operations may be affected by the general conditions of these economies, price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting such jurisdictions, over which the Resulting Issuer has no control and which could have a material adverse effect on Resulting Issuer's business, financial condition or results of operations.

The Resulting Issuer intends to focus its initial operations in Colombia. The Colombian government has exercised, and continues to exercise, significant influence over the Colombian economy and frequently intervenes in the Colombian economy to control inflation and affect other policies in such areas as wage and price controls, currency devaluations, capital controls and limits on imports, among other things. Any cannabis cultivation business in which the Resulting Issuer may engage and, as a result, its overall business, financial condition and results of operations may be adversely affected by changes in policy involving tariffs, exchange controls and other matters, as well as factors such as inflation, devaluation, exchange rates and controls, interest rates, changes in government leadership, policy, taxation and other political, economic or other developments in or affecting Colombia, including civil disturbances, regional terrorism, armed conflict and/or war. There is a risk of rebel, terrorist attacks and kidnappings against facilities and personnel involved in the cannabis cultivation operations at the Colombian properties in which the Resulting Issuer has or may acquire an interest.

Operational Risks

Operations in certain jurisdictions outside of Canada, such as potentially Colombia, are subject to risk due to the potential for social, political, economic, legal and/or fiscal instability. Such instability may require the Resulting Issuer to suspend operations in such jurisdictions. Although the Resulting Issuer is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in such jurisdictions, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Resulting Issuer's operations, or other matters.

Enforcement of Judgments

It is expected that certain of the Resulting Issuer's assets will be located outside of Canada. As a result, investors may not be able to effect service of process within Canada upon the Resulting Issuer's potential future directors or officers who reside outside of Canada or enforce against them in Canadian courts judgments predicated on Canadian securities laws. It may also be difficult for an investor to enforce in Canadian courts judgments obtained against these persons in courts located in jurisdictions outside Canada. Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board or controlling shareholders than they would as public shareholders of a Canadian company.

Inflationary Risks

Colombia has experienced double digit rates of inflation in the past. If this continues, costs may increase substantially as a result of changes in the exchange rates. In addition, this may affect the Resulting Issuer's ability to raise capital. The government's response to such inflationary pressures might include monetary and fiscal policy that may have an adverse effect on the Resulting Issuer.

Repatriation of Earnings from Colombia

There are currently no restrictions on the repatriation from Colombia of earnings to foreign entities. However, there can be no assurance that restrictions on repatriations of earnings from Colombia will not be imposed in the future. Exchange control regulations require that any proceeds in foreign currency originated on exports of goods from Colombia be repatriated to Colombia. However, purchase of foreign currency is allowed through any Colombian authorized financial entities for the purpose of payments to foreign suppliers, repayment of foreign debt, payments of dividends to foreign stockholders and other foreign expenses.

Colombian Legal System

The Colombian legal system may expose MVMD to risks such as: (a) effective legal redress in the courts, whether in respect of a breach of law or regulation or in an ownership dispute, being more difficult to obtain; (b) a higher degree of discretion on the part of governmental authorities; (c) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (e) relative inexperience of the judiciary and courts in such matters. The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain in Colombia, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in Colombia cannot be assured.

Illegality of cannabis under United States Law

The cultivation, manufacture, distribution, and possession of marijuana is illegal under United States federal laws. Federal law applies even in those states in which the use of marijuana has been legalized. As a result of the conflict between state and federal laws regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. Although prior administrations have taken a more permissive view of legalization at the state level, there is no assurance that the federal government will not seek to prosecute cannabis businesses that are compliant with state law.

Under the CSA, 21 U.S.C. ("CSA"), § 801 et seq., it is a felony to manufacture, distribute, dispense or possess with intent to manufacture, distribute or dispense a controlled substance, including marijuana; to use a communication facility, which includes the mail, telephone, wire, radio, and all other means of communication, to cause or facilitate a violation of the CSA; and to place an advertisement knowing that the advertisement is intended to offer to sell or buy marijuana, or to use the internet to advertise the sale of marijuana. It is also a federal misdemeanor to knowingly or intentionally possess marijuana and a felony to attempt or conspire to violate the CSA. The CSA does not apply to conduct that takes place entirely outside the United States if the conduct involves cannabis that never reaches, and is never intended to reach, the United States.

Those with marijuana-related activities in the United States which are contrary to such federal laws are or may be subject to a variety of criminal, civil, tax and/or other laws and resulting implications.

It is expected that the Resulting Issuer would be involved in marijuana-related activities in the United States, indirectly through MVMD's interest in CCJC, **only if and to the extent that the DEA License is granted by the U.S. federal government**. As such, the Resulting Issuer and its subsidiaries would not be acting contrary to the United federal laws and therefor contrary to any laws considered above. However, it cannot be guaranteed that inconsistent regulation and legislation, relating to the DEA's decision to grant licences or otherwise, would not result in an adverse effect on the business or financial condition of the Resulting Issuer. Further, the Resulting Issuer will not, unless it increases its interest in CCJC, have control over CCJC or the Applicant. The Resulting Issuer cannot guarantee that their actions pending the approval of the Application which at all times be compliant with applicable federal United States laws, which may subject it to those laws addressing those who act contrary to such laws.

Heightened scrutiny by Canadian regulatory authorities

For the reasons set forth above, the Resulting Issuer's current or future interest in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("MOU") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSXV.5 The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS Clearing and Depository Services Inc. ("CDS") as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the common shares are listed on a stock exchange, it would have a material adverse effect on the ability of holders of common shares to make and settle trades. In particular, the common shares would become highly illiquid until an alternative was implemented, investors would have no ability to effect a trade of the common shares through the facilities of the applicable stock exchange.

Regulatory scrutiny of the Resulting Issuer's interests in the United States

For the reasons set forth above, the Resulting Issuer's interests in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to carry on its business in the United States.

PROMOTERS

No person or company has been within the two years immediately preceding the date of this Listing Statement, a promoter of the Resulting Issuer.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no actual or contemplated legal proceedings material to Meadow Bay, MVMD or their subsidiaries or of which any of their respective property is the subject matter and there are no such proceedings known to Meadow Bay, MVMD or their subsidiaries to be contemplated.

There have been no penalties or sanctions imposed against the Resulting Issuer by a court or regulatory authority, and the Resulting Issuer has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, in the three years prior to the date of this Listing Statement.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of Meadow Bay or MVMD as applicable or disclosed herein, none of the directors or executive officers of Meadow Bay or MVMD, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Meadow Bay Shares or MVMD Shares, nor an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of Meadow Bay or MVMD or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect Meadow Bay or MVMD.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The current auditor of Meadow Bay is MNP LLP, Chartered Professional Accountants located at Suite 2200, MNP Tower, 1021 West Hastings Street, Vancouver, British Columbia, which will continue to be the auditors of the Resulting Issuer following the completion of the Transaction.

Prior to giving effect to the Transaction, the registrar and transfer agent of Meadow Bay has been Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9. Related to and after giving effect to the Transaction, the registrar and transfer agent of the Resulting Issuer will be Odyssey Trust Company, located at United Kingdom Building, 323 – 409 Granville Street, Vancouver BC V6C 1T2, or such other registrar and transfer agent as the Resulting Issuer may in future determine.

INTERESTS OF EXPERTS

DeVisser Gray LLP, MVMD's auditors prior to the completion of the Transaction, and MNP LLP, Meadow Bay's current auditors, are each independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The aforementioned firms held either less than one percent or no securities of MVMD and Meadow Bay, respectively, when they prepared the reports or information referred to, or following the preparation of such reports or information.

None of the aforementioned firms, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of MVMD, Meadow Bay, nor the Resulting Issuer, nor of any associate or affiliate of the foregoing.

MATERIAL CONTRACTS

During the course of the two years prior to the date of the Listing Statement, Meadow Bay has entered into the Amalgamation Agreement, the Casino Gold Agreement, as well as other contracts entered into in the ordinary course of business.

During the course of the two years prior to the date of the Listing Statement, MVMD has entered into the Amalgamation Agreement as well as the following material contracts, other than the contracts entered into in the ordinary course of business:

1. Share Exchange Agreement with MVM dated January 10, 2019, whereby MVMD acquired all of the issued and outstanding shares of MVM. See section entitled "*General Development of the Business*"
2. Subscription Agreement with CCJC and Share Purchase Agreements with its shareholders dated June 10, 2019, for the acquisition of an aggregate 20% interest in CCJC. See section entitled "*General Development of the Business*".
3. Subscription and Share Purchase Agreement with Sativa Nativa and its shareholders dated April 11, 2019 for the acquisition of an aggregate 25% interest in Sativa Nativa (and related documents). See section entitled "*General Development of the Business*".
4. Share Purchase Agreement with Colverde and its shareholders dated November 15, 2019, with respect to the acquisition of certain licences and licence applications by way of the acquisition of Colverde, a non-operating Colombian corporation. See section entitled "*General Development of the Business*".
5. Intellectual Asset Purchase Agreement with Smartek and its shareholders dated December 20, 2019, with respect to the acquisition of the Smartek Assets. See section entitled "*General Development of the Business*".
6. Consulting Agreement with Smartek International LLC dated December 20, 2019 for the services of Mike Farber with respect to the Smartek Assets. See section entitled "*General Development of the Business*".

OTHER MATERIAL FACTS

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Resulting Issuer or its respective securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer and its respective securities.

FINANCIAL STATEMENTS

The annual audited consolidated financial statements of Meadow Bay for the year ended March 31, 2019 and interim unaudited consolidated financial statements of Meadow Bay for the three-month period ended June 30, 2019 and the three and six-month period ended September 30, 2019 are attached as Schedules "A", "C", and "I".

The annual audited consolidated financial statements of MVMD for the year ended March 31, 2019 and interim unaudited reviewed consolidated financial statements of MVMD for the three-month period ended June 30, 2019 and the three and six-month period ended September 30, 2019 are attached as Schedules "B", "K", and "L".

The management's discussion and analysis for Meadow Bay for the year ended March 31, 2019, for the three-month period ended June 30, 2019 and the three and six-month period ended September 30, 2019 are attached as Schedules "D", "F" and "J"

The management's discussion and analysis for MVMD for the year ended March 31, 2019, for the three-month period ended June 30, 2019 and the three and six-month period ended September 30, 2019 are attached as Schedules "E", "M" and "N".

The pro forma financial statements for the year ended March 31, 2019 are attached as Schedule "G" and the pro forma financial statements for the period ended September 30, 2019 is attached as Schedule "O".

4. CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Meadow Bay Gold Corporation, hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Meadow Bay Gold Corporation. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC this 20th day of February, 2020.

Chief Executive Officer Robert Dinning	Chief Financial Officer Keith Margetson
Director Adrian Robertson	Director Jordan Estra

4. CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Meadow Bay Gold Corporation, hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Meadow Bay Gold Corporation. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Florida, USA this 20th day of February, 2020.

______________________	______________________
Chief Executive Officer	Chief Financial Officer
Robert Dinning	Keith Margetson
______________________	______________________
Director	Director
Adrian Robertson	Jordan Estra

4. CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Meadow Bay Gold Corporation, hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Meadow Bay Gold Corporation. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at PRINCE GEORGE B.C. this 20th day of FEBRUARY, 2020.

Chief Executive Officer Robert Dinning	Chief Financial Officer Kenneth Margetson
Director Adrian Robertson	Director Jordan Estra

4. CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Meadow Bay Gold Corporation, hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Meadow Bay Gold Corporation. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Delroy Beach FL USA this 20th day of February, 2020.

Chief Executive Officer
Robert Dinning

Chief Financial Officer
Kenneth Margetson

Director
Adrian Robertson

Jordan Mark Estra

Director
Jordan Estra

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Mountain Valley MD Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario

this 20th day of February, 2020.

Chief Executive Officer

Dennis Hancock

Chief Financial Officer

Lucie Letellier

Director

Dennis Hancock

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Mountain Valley MD Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Chelsea, Quebec

this 20th day of February, 2020.

Chief Executive Officer

Dennis Hancock

Chief Financial Officer

Lucie Letellier

Director

Dennis Hancock

SCHEDULE "A"

ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MEADOW BAY GOLD CORPORATION FOR THE YEAR ENDED MARCH 31, 2019

[see attached]

Consolidated Financial Statements of

MEADOW BAY GOLD CORPORATION

As at March 31, 2019 and 2018

(Expressed in Canadian Dollars)

To the Shareholders of Meadow Bay Gold Corporation:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and the Audit Committee is composed primarily of Directors who are neither management nor employees of Meadow Bay Gold Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of Meadow Bay Gold Corporation's external auditors.

MNP LLP is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

July 29, 2019

"Robert Dinning"
Chief Executive Officer

"Keith Margetson"
Chief Financial Officer

MNP LLP

Independent Auditor's Report

To the Shareholders of Meadow Bay Gold Corporation:

Opinion

We have audited the consolidated financial statements of Meadow Bay Gold Corporation and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2019 and March 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2019 and March 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $22,221,772 during the year ended March 31, 2019 and, as of that date, had an accumulated deficit of $40,624,429. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
The engagement partner on the audit resulting in this independent auditor's report is Joseph J. Chirkoff.

Vancouver, British Columbia

MNP LLP

July 29, 2019

Chartered Professional Accountants

MEADOW BAY GOLD CORPORATION
Consolidated Statements of Financial Position
Expressed in Canadian dollars

Cash and cash equivalents	$ 39,617	$ 508,434
Other receivable	16,591	12,974
Prepaid expenses	11,390	30,646
	67,598	552,054
Property, plant and equipment		
Exploration and evaluations assets (Note 4)	6,000,000	27,439,005
Plant and equipment (Note 5)	280,961	302,830
	6,280,961	27,741,835
	$ 6,348,559	$ 28,293,889
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 350,625	$ 118,610
Amounts payable to related parties (Note 7)	50,350	4,725
	400,975	123,335
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	35,048,332	35,048,332
Contributed surplus	7,140,174	7,140,174
Accumulated other comprehensive income	4,383,507	3,760,470
Deficit	(40,624,429)	(17,778,422)
	5,947,584	28,170,554
	$ 6,348,559	$ 28,293,889

The consolidated financial statements were approved by the Board of Directors on July 29, 2019 and were signed on its behalf by:

"Robert Dinning" **, Director**	*"Jordan Estra"* **, Director**
Robert Dinning	**Jordan Estra**

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

MEADOW BAY GOLD CORPORATION
Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars

For the Year Ended March 31	2019	2018
Operating expenses		
Consulting - general and administration	$ 126,000	$ 69,500
Depreciation	32,679	39,700
Maintenance of claims	85,495	103,047
Office and administration services	176,164	151,249
Professional fees	119,529	109,544
Share-based compensation (Note 6(c))	-	336,447
Trade shows and investor relations	16,883	49,676
Transfer agent and filing	48,075	55,483
Travel	19,410	48,058
	624,235	962,704
Operating loss before other items	(624,235)	(962,704)
Other income (expense)		
Interest income	-	889
Impairment of exloration and evaluation assets (Note 4)	(22,221,772)	-
Net loss for the year	(22,846,007)	(961,815)
Other comprehensive loss		
Translation adjustment	623,037	(549,708)
Comprehensive loss for the year	$ (22,222,970)	$ (1,511,523)
Basic and diluted loss per share (Note 6(e))	$ (0.46)	$ (0.03)
Weighted average number of shares outstanding	50,056,229	33,591,088

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

MEADOW BAY GOLD CORPORATION
Consolidated Statements of Changes in Equity
Expressed in Canadian dollars

	Share capital Number of shares	Amount	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, March 31, 2017	23,552,479	$ 33,749,895	$ 6,769,199	$ 4,310,178	$ (16,816,607)	$ 28,012,665
Issued for cash at $0.05 per unit	24,010,000	1,200,500	-	-	-	1,200,500
Issued for debt at $0.05 per unit	2,000,000	100,000	-	-	-	100,000
Issued for debt at $0.20 per share	475,000	95,000	-	-	-	95,000
Finders' fees paid in cash	-	(43,050)	-	-	-	(43,050)
Finders' fees paid in warrants	-	(34,528)	34,528	-	-	-
Legal fees incurred in issuance	-	(24,735)				(24,735)
Warrants exercised	18,750	5,250	-	-	-	5,250
Share-based payments	-	-	336,447	-	-	336,447
Net comprehensive loss for the year	-	-	-	(549,708)	(961,815)	(1,511,523)
Balance, March 31, 2018	50,056,229	35,048,332	7,140,174	3,760,470	(17,778,422)	28,170,554
Net comprehensive loss for the year	-	-	-	623,037	(22,846,007)	(22,222,970)
Balance, March 31, 2019	50,056,229	$ 35,048,332	$ 7,140,174	$ 4,383,507	$ (40,624,429)	$ 5,947,584

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

MEADOW BAY GOLD CORPORATION
Consolidated Statements of Cash Flows
Expressed in Canadian dollars

For the Year Ended March 31	**2019**	**2018**
Cash Flows from (used in) Operating Activities		
Net loss for the year	$ (22,846,007)	$ (961,815)
Items not affecting cash		
Depreciation	32,679	39,700
Share-based compensation	-	336,447
Impairment of exploration and evalutation assets	22,221,772	-
Net change in non-cash working capital items		
Other receivable	(3,617)	20,265
Prepaid expenses	19,256	(3,904)
Accounts payable and accrued liabilities	152,800	(206,810)
Amounts payable to related parties	45,625	32,100
	(377,492)	(744,017)
Cash Flows from (used in) Financing Activities		
Common shares and warrants issued for cash	-	1,205,750
Share issuance costs	-	(67,785)
	-	1,137,965
Cash Flows from (used in) Investing Activities		
Exploration costs of resource properties	(91,325)	(32,279)
	(91,325)	(32,279)
(Decrease) Increase in cash and cash equivalents	(468,817)	361,669
Cash and cash equivalents, beginning of year	508,434	146,765
Cash and cash equivalents, end of year	$ 39,617	$ 508,434
Supplemental Disclosure of Cash Flow Information		
Warrants issued to brokers	$ -	$ 28,032
Shares and warrants issued to related party for debt	$ -	$ 140,000
Shares issued for geological services	$ -	$ 55,000
Accounts payable included in exploration and evaluation assets	$ -	$ 122,231

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

Expressed in Canadian dollars

1. NATURE AND CONTINUANCE OF OPERATIONS

Meadow Bay Gold Corporation (the “Company” or “Meadow Bay”) was incorporated under the provisions of the British Columbia Business Corporations Act on March 8, 2005. The Company changed its name from Meadow Bay Capital Corporation on April 4, 2011. The Company’s common shares are traded on the Canadian Securities Exchange (“Exchange”) under the symbol “MAY”.

The head office, principal address and records office of the Company are located at Suite 210 – 905 West Pender Street, Vancouver, BC, Canada V6C 1L6.

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. There are conditions and events which constitute material uncertainties that may cast significant doubt on the validity of this assumption. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used.

Management has estimated that the Company will have adequate funds from existing working capital and from anticipated financing yet to be completed that will be sufficient to meet corporate, administrative and other obligations during the year ending March 31, 2020. The Company has the ability to reduce its expenditures and therefore continue to operate with current working capital to meet administrative overhead commitments. However, to continue with exploration activities the Company will need to raise additional funds. During the year ended March 31, 2019 the Company did not raise any funds from private placements (2018 - $1,200,500 was raised). While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

During the years ended March 31, 2019 and 2018, the Company experienced operating losses before income taxes and negative operating cash flows with the operations of the Company having been primarily funded by the issuance of shares. The Company expects to incur further losses in the development of its business. If funds are unavailable on terms satisfactory to the Company some or all planned activities may be cancelled or postponed. Continued operations are dependent on the Company's ability to complete public equity financing, secure project debt financing or generate profitable operations in the future. Also see Note 14.

In the event that cash flow from operations, if any, together with the proceeds for any future financings are insufficient to meet the Company’s operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deem to be in the Company’s best interest. This may result in a substantial reduction of the scope of existing and planned operations. Furthermore, as discussed in Note 14, *Subsequent Events,* the Company has entered into an agreement which results in a fundamental change to the Company’s business. Changes to the existing operations may be affected by this change.

As of March 31, 2019 and 2018, the Company reported the following:

	March 31, 2019 $	March 31, 2018 $
Net loss for the year	(22,846,007)	(961,815)
Deficit	(40,624,429)	(17,778,422)
Working capital (deficiency)	(333,377)	428,719

These factors raise significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments, which could be material, to the carrying values and classification of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were authorized for issue on July 29, 2019 by the Directors of the Company. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Basis of Preparation

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

The consolidated financial statements are presented in Canadian dollars unless otherwise noted. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Desert Hawk Resources Inc., incorporated in Nevada. All significant intercompany balances and transactions were eliminated on consolidation.

The consolidated financial statements of the Company were prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in Note 2(g).

(b) Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant estimates used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) The recoverability of the carrying value of exploration and evaluation assets

The Company is required to review the carrying value of its evaluation and exploration assets for indicators of potential impairment. Impairment is indicated if the carrying value of the Company's exploration and evaluation assets is not recoverable. If impairment is indicated, the amount by which the carrying value of exploration and evaluation assets exceeds the estimated fair value is charged to the statement of loss and comprehensive loss.

Evaluating the recoverability during the exploration and evaluation phase requires judgements in determining whether future economic benefits from future exploitation, sale or otherwise are likely. Evaluation may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities and the impact of the current and expected future metal process to potential reserves.

ii) The inputs used in the Black Scholes valuation model (volatility; interest rate; expected life and dividend yield) and forfeiture rates in accounting for share-based payment transactions

Estimating the fair value of granted stock options and warrants issued for finders' fees requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. The estimate of share-based compensation also requires determining the most appropriate inputs to the valuation model including the dividend yield, and estimating the forfeiture rate for options with vesting conditions.

iii) Determination that there is no material restoration, rehabilitation and environmental exposure exists based on the facts and circumstances

The Company makes the determination of its obligations for future restoration, rehabilitation and environmental exposure based on factual information, circumstances and documentation provided from mining authorities in the exploration and evaluation asset's mining jurisdiction. Beyond this, if able to, management will attempt to present a reliable estimate of an obligation that is considered necessary.

Significant judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 1).

ii) The estimated useful lives and residual value of plant and equipment

Plant and equipment is depreciated over its useful life. Estimated useful lives are determined based on current facts and past management experience and take into consideration the anticipated physical life of the asset, the potential for technology obsolescence and regulations.

iii) Tax interpretations, regulations, and legislation in the various jurisdictions in which the Company operates are subject to change

The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

(c) Exploration and evaluation assets

All costs related to the acquisition of mineral properties are capitalized as exploration and evaluation assets. The recorded cost of mineral property interests is based on cash paid and the value of share consideration issued for mineral property interest acquisitions.

All pre-exploration costs, i.e. costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on an area of interest, are expensed as incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized in respect of each identifiable area of interest until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred include appropriate technical and administrative overheads. Claims maintenance costs are expensed as incurred. Exploration and evaluation assets are carried at historical cost, less any impairment losses recognized.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the company stops capitalizing exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets either as tangible or intangible mine development assets according to the nature of those assets. Mineral properties are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. When a property is abandoned, all related costs are written off.

(d) Plant and equipment

Plant and equipment are initially recorded at cost. As assets are put in use, they are amortized over their estimated useful lives, using a straight-line basis. All assets are being depreciated over a straight-line basis as follows: building - 20 years; mine equipment and other equipment - 10 years; and, furniture and vehicles - 5 years. The depreciation method, useful life and residual values are assessed annually.

Subsequent costs

The cost of replacing part of an item within plant and equipment is recognised when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised as an expense as incurred.

(e) Impairment of non-current assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of income.

(f) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statements of loss and comprehensive income/loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available. As at March 31, 2019 and 2017, the Company determined that it did not have material reclamation and remediation obligations.

(g) Financial instruments

The Company follows IFRS 9, *Financial Instruments,* which applies uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The classification is based on two criteria: the Company's business objectives for managing the assets; and whether the financial instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI test"). Financial assets are required to be reclassified only when the business model under which they are managed has changed. All reclassifications are to be applied prospectively from the reclassification date. Financial liabilities are classified in a similar manner as under IAS 39.

Financial assets

The Company initially recognizes financial assets at fair value on the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Classification and measurement

Under IFRS 9, financial assets are initially measured at fair value. In the case of a financial asset not categorized as fair value through profit or loss ("FVTPL"), transaction costs are included. Transaction costs of financial assets carried at FVTPL are expensed in net income (loss). Subsequent classification and measurement of financial assets depends on the Company's business objective for managing the asset and the cash flow characteristics of the asset:

(i) Amortized cost – Financial assets held for collection of contractual cash flows that meet the SPPI test are measured at amortized cost. Interest income is recognized as Other income (expense) in the consolidated financial statements, and gains/losses are recognized in net income (loss) when the asset is derecognized or impaired.

(ii) Fair value through other comprehensive income ("FVOCI") – Financial assets held to achieve a particular business objective other than short-term trading are designated at FVOCI. IFRS 9 also provides the ability to make an irrevocable election at initial recognition of a financial asset, on an instrument-by-instrument basis, to designate an equity investment that would otherwise be classified as FVTPL and that is neither held for trading nor contingent consideration arising from a business combination to be classified as FVOCI. There is no recycling of gains or losses through net income (loss). Upon derecognition of the asset, accumulated gains or losses are transferred from other comprehensive income ("OCI") directly to Deficit.

(iii) FVTPL – Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL.

The Company measures cash and cash equivalents at amortized cost.

<u>Financial liabilities</u>

The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The subsequent measurement of financial liabilities is determined based on their classification as follows:

(i) FVTPL – Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL. Gains or losses on these types of financial liabilities are recognized in net income (loss).

(ii) Amortized cost – All other financial liabilities are classified as amortized cost using the effective interest method. Gains and losses are recognized in net income (loss) when the liabilities are derecognized as well as through the amortization process.

The Company measures accounts payable and accrued liabilities and amounts payable to related parties at amortized cost.

(h) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue.

(i) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred taxes are the taxes expected to be payable or recoverable on the difference between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying

amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of an asset.

(j) Foreign Currency Translation

The functional and reporting currency of Meadow Bay Gold Corporation is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

The functional currency of the Company's wholly owned subsidiary, Desert Hawk Resources Inc. is the US dollar. The assets and liabilities arising from these operations are translated at the year-end exchange rate and related revenues and expenses at the average exchange rate for the period. Resulting translation adjustments, are accumulated as a separate component of accumulated other comprehensive loss in the statement of shareholders equity.

(k) Loss per share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

Due to the losses for the years ended March 31, 2019 and 2018, basic loss per share was equal to dilutive loss per share for the years presented.

(l) Comprehensive Income (Loss)

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in profit or loss. The Company's only component of other comprehensive income (loss) is the gain/loss on currency translation.

(m) Share purchase warrants

The Company has adopted the residual method with respect to the measurement of shares and warrants issued as private placement units. The residual method allocates the proceeds received based on the fair value of the shares, with any remaining value greater than the shares' fair value being allocated to the warrants. The fair value of the common shares is based on the opening quoted bid price on the announcement date. The fair value attributed to the warrants is recorded as contributed surplus. When warrants are exercised, the value is transferred from contributed surplus to capital stock. If the warrants expire unexercised, the related amount remains in contributed surplus.

(n) Stock-based Compensation

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and contributed surplus. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in contributed surplus, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

3. RECENT ACCOUNTING PRONOUNCEMENTS AND ADOPTED POLICIES

Adoption of new accounting standards

The Company did not adopt any new accounting standard changes or amendments in the current year that had a material impact on the Company's financial statements. The following amendment was adopted by the Company for the year ended March 30, 2019:

IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The Company adopted IFRS 9 using the modified retrospective approach where the cumulative impact of adoption will be recognized in retained earnings as of April 1, 2018 and comparatives will not be restated. Please refer to Note 2(g).

Future accounting policy changes issued but not yet in effect

The following amendments to existing standards were issued by the IASB and are effective for annual periods beginning on or after April 1, 2019. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from below:

IFRS 16, Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

Expressed in Canadian dollars

Upon adoption of IFRS 16, the Company will record a right-of-use asset, with an associated lease liability, on the consolidated statement of financial position as at April 1, 2019. The right-of-use asset and liability will be unwound over the term of the lease giving rise to an interest expense and depreciation charge, respectively. Currently the Company's operating lease relates to the rental of office space (Note 11 – Commitments). The right-of-use asset capitalized is expected to be $36,004 and the liability recorded is expected to be $36,591.

4. EXPLORATION AND EVALUATION ASSETS

	Balance April 1, 2018	Additions	Translation	Impairment	Balance March 31, 2019
Property	$ 19,049,289	$ -	$ 394,369	$ (13,443,658)	$ 6,000,000
Assaying	579,496	-	21,078	(600,574)	-
Geological consulting	2,484,500	167,747	5,858	(2,658,105)	-
Drilling	4,639,262	-	168,746	(4,808,008)	-
Exploration and sampling	392,475	-	14,276	(406,751)	-
Other	293,983	-	10,693	(304,676)	-
Total	$ 27,439,005	$ 167,747	$ 615,020	$ (22,221,772)	$ 6,000,000

	Balance April 1, 2017	Additions	Translation	Impairment	Balance March 31, 2018
Property	$ 19,326,762	$ -	$ (277,473)	$ -	$ 19,049,289
Assaying	598,192	-	(18,696)	-	579,496
Geological consulting	2,459,652	97,224	(72,376)	-	2,484,500
Drilling	4,788,938	-	(149,676)	-	4,639,262
Exploration and sampling	405,138	-	(12,663)	-	392,475
Other	303,468	-	(9,485)	-	293,983
Total	$ 27,882,150	$ 97,224	$ (540,369)	$ -	$ 27,439,005

Atlanta Gold and Silver Mine Property

On March 1, 2011, the Company completed the purchase of all of the outstanding shares of Desert Hawk Resources Inc. which in turn owned the Atlanta Gold Project located in Lincoln County Nevada, approximately 250 km northeast of Las Vegas. Desert Hawk Resources Inc. completed the purchase of the Atlanta Mine for the total sum of $6,000,000US. The acquisition cost includes a 3% NSR capped at 4,000 ounces. The property consisted of 13 patented claims and 49 unpatented lode claims, referred to as the Atlanta, Blue Bird, Bobcat and various miscellaneous Group Claims).

On June 30, 2011, the Company entered into an agreement to acquire 135 unpatented mining claims (the NBI Claim Group) contiguous with the Company's Atlanta property. A total of $250,000 US was paid plus issuance of 400,000 shares of common stock for this acquisition. The fair value of the shares at time of the purchase was $420,000. The agreement also includes a 3% NSR, for which the Company has the option to repurchase 1% for $1,000,000 US for a period of five years.

During the year ended March 31, 2012, the Company staked additional claims in the Atlanta district and currently possesses a total of 12 patented and 385 unpatented mineral claims in and around the Atlanta mine site for a total of approximately 12,000 acres. The Company's claims consist of the original 12 patented claims and the 49 Atlanta Claims, 135 NBI Claim Group, 120 Lily Claim Group Claims, 4 Bluebird Claim Group, 5 NFL Claim Group, 19 PEG Claim Group, 13 SNO Claim Group, 27 C&B Claim Group, 3 Julie Claim Group and 10 Lauren Claim Group Claims.

Expressed in Canadian dollars

Management reviewed the assets for impairment as at March 31, 2019 as outlined in the Company's accounting policy. It was estimated that the recoverable amount of the asset is less than the book value and, accordingly, an impairment charge of $22,221,772 was made to operations in order to adjust downward the carrying value of the asset to $6,000,000.

5. PLANT AND EQUIPMENT

For the Year Ended March 31, 2019:

	Mine Buildings	Vehicles	Furniture and fixtures	Water System	Total
Costs:					
Balance, April 1, 2018	$357,219	$ 45,590	$ 30,794	$138,674	$ 572,277
Translation	12,993	1,659	1,119	5,044	20,815
Balance, March 31, 2019	$370,212	$ 47,249	$ 31,913	$143,718	$ 593,092
Depreciation					
Balance, April 1, 2018	$119,463	$ 45,590	$ 30,794	$ 73,600	$ 269,447
Additions	18,396	-	-	14,283	32,679
Translation	4,460	1,659	1,119	2,767	10,005
Balance, March 31, 2019	$142,319	$ 47,249	$ 31,913	$ 90,650	$ 312,131

For the Year Ended March 31, 2018:

	Mine Buildings	Vehicles	Furniture and fixtures	Water System	Total
Costs:					
Balance, April 1, 2017	$368,744	$ 47,061	$ 31,787	$143,148	$ 590,740
Translation	(11,525)	(1,471)	(993)	(4,474)	(18,463)
Balance, March 31, 2018	$357,219	$ 45,590	$ 30,794	$138,674	$ 572,277
Depreciation					
Balance, April 1, 2017	$104,880	$ 43,883	$ 26,202	$ 61,659	$ 236,624
Additions	17,625	3,060	5,329	13,686	39,700
Translation	(3,042)	(1,353)	(737)	(1,745)	(6,877)
Balance, March 31, 2018	$119,463	$ 45,590	$ 30,794	$ 73,600	$ 269,447
Carrying amounts:					
March 31, 2019	$227,893	$ -	$ -	$ 53,068	$ 280,961
March 31, 2018	$237,756	$ -	$ -	$ 65,074	$ 302,830

6. SHARE CAPITAL

(a) The authorized capital of the Company consists of:

Unlimited number of common shares without par value.

(b) The Company's issued and outstanding capital stock is as follows:

As at March 31, 2019 and 2018, there were 50,056,228 issued common shares.

There were no share transaction during the year ending March 31, 2019.

During the year ending March 31, 2018, the Company completed the following share transactions:

i) On November 10, 2017, the Company completed the first tranche of a non-brokered private placement by issuing 16,330,000 units at $0.05 each for gross proceeds of $816,500. Each unit comprised one share and one-half share warrant, with each whole warrant entitling the holder to purchase one additional share for a period of 2 years from the date of closing at a price of $0.10 per share. The Company paid finders' fees of $43,050 cash and issued 861,000 broker's warrants, with each finder's warrant entitling the holder to purchase one common share of the Company under the same conditions as the warrants issued with the unit. The warrants were valued at $34,528 using a Black Scholes option pricing model, as the value of the services performed was not readily verifiable. The assumptions used for in the model were as follows: risk free interest rate – 1.44%, expected life – 2 years, dividend nil and annualized volatility – 105.85%.

ii) On November 16, 2017, the Company completed the second and final tranche of a non-brokered private placement by issuing 9,680,000 units at $0.05 each for gross proceeds of $484,000. Each unit comprised one share and one-half share warrant, with each whole warrant entitling the holder to purchase one additional share for a period of 2 years from the date of closing at a price of $0.10 per share.

iii) On December 8, 2017, the Company completed a share for services and debt transaction, issuing 475,000 shares at $0.20.

iv) On February 1, 2018, a warrant holder exercised the right to purchase 18,750 common shares at $0.28 for gross proceeds of $5,250.

(c) Stock Options

Upon approval of the Company's shareholders, the Company has adopted an incentive rolling stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan up to a maximum of 10% of the un-issued and outstanding shares of the Company at any time, less shares required to be reserved with respect to options granted by the Company prior to the implementation of the Plan. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the Exchange on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies.

There were no stock options granted during the year ended March 31, 2019.

The Company had the following stock options granted during the year ended March 31, 2018:

i) 2,000,000 options were granted to consultants and officers effective December 7, 2017. The option granted the recipient the right to purchase shares at a price of $0.20 for a period of 3 years. The cost of this grant as recorded in the statement of operations was $315,284 using the Black Scholes pricing model and inputs as noted below. The options vested upon grant.

Expressed in Canadian dollars

ii) 7,000,000 options were granted to a consultant effective November 17, 2017. The option granted the recipient the right to purchase shares at a price of $0.08 for a period of 3 years. The cost of this grant as recorded in the statement of operations was $44,000 using the Black Scholes pricing model and inputs as noted below. The options vested upon grant.

The following weighted average assumptions were used to determine the value of the stock options granted: Risk-free interest rate – 1.21%; Expected life of options – 3 years; Annualized volatility – 110.32%; and, Dividend rate – 0%.

The Black-Scholes valuation model was developed for use in estimating the fair value of traded options which are fully transferable and freely traded. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

A summary of the status of the Company's outstanding stock options as a March 31, 2019 is as follows:

Options	Number of Shares	Exercise Price	Expiry Date
125,000	125,000	$0.42	*June 10, 2019
143,750	143,750	$1.00	* July 15, 2019
306,250	306,250	$0.76	March 11, 2020
37,500	37,500	$0.80	August 17, 2020
700,000	700,000	$0.08	November 16, 2020
2,000,000	2,000,000	$0.20	December 7, 2020
550,000	550,000	$0.34	July 27, 2021
3,862,500	3,862,500		

* Subsequently expired unexercised.

The following is a summary of stock option issues and outstanding is as follows:

	Options Outstanding #	Weighted Average Price
Balance, exercisable and outstanding April 1, 2017	1,986,250	$ 0.64
Granted	2,700,000	$ 0.17
Cancelled	(606,250)	$ 0.65
Expired	(92,500)	$ 0.99
Balance, exercisable and outstanding March 31, 2018	3,987,500	$ 0.31
Expired	(125,000)	$ 0.94
Balance, exercisable and outstanding March 31, 2019	3,862,500	$ 0.29

The weighted average remaining life of options as at March 31, 2019 is 1.61 years.

Expressed in Canadian dollars

(d) Warrants

A summary of the status of the Company's outstanding warrants as at March 31, 2019 is as follows:

Warrants	Number of shares upon exercise	Exercise Price	Expiry Date
1,302,025	1,302,025	$ 0.24	March 7, 2021
1,036,492	1,036,492	$ 0.28	April 29, 2021
1,511,001	1,511,001	$ 0.28	July 25, 2021
1,100,254	1,100,254	$ 0.24	December 16, 2021
9,026,000	9,026,000	$ 0.10	November 10, 2019
4,840,000	4,840,000	$ 0.10	November 16, 2019
18,815,772	18,815,772	$ 0.14	

The following is a summary of warrants transactions for the years ended March 31, 2019 and 2018:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, exercisable and outstanding, March 31, 2017	9,364,236	$ 0.69
Sold with share units	13,005,000	$ 0.10
Granted	861,000	$ 0.06
Exercised	(18,750)	$ 0.28
Expired	(4,103,961)	$1.20
Balance, exercisable and outstanding, March 31, 2018	19,107,525	$ 0.12
Expired	(291,753)	$1.00
Balance, exercisable and outstanding, March 31, 2019	18,815,772	$0.14

The weighted average remaining life of warrants as at March 31, 2019 is 1.05 years.

The following weighted average assumptions were used to determine the value of the warrants issued during the year ended March 31, 2018: Risk-free interest rate – 1.44%; Expected life of options – 3 years; Annualized volatility – 104.85%; and, Dividend rate – 0%.

(e) Loss per share

Basic loss per share is computed by dividing net loss for the year, applicable to common shareholders, by the weighted average number of common shares outstanding for the year, including contingently issuable shares when the conditions necessary for the issuance have been met. Diluted loss per share is calculated in a similar number except that the weighted average number of common shares outstanding is increased to include potential common shares from the assumed exercise of options, warrants and convertible securities, if dilutive.

Expressed in Canadian dollars

Year ended March 31		2019		2018
Loss per share - basic and diluted	$	(0.46)	$	(0.01)
Loss for the year	$	(22,846,007)	$	(961,815)
Weighted average number of shares outstanding:		# of sh		# of sh
Issued common shares, beginning of year		50,056,228		23,552,478
Warrants exercised		-		2,979.00
Shares for debt		-		919,658.00
Shares issued for cash		-		9,115,973
		50,056,228		33,591,088

7. RELATED PARTY BALANCES AND TRANSACTIONS

The following table summarizes services provided by directors and officers of the Company and balances due to them, not otherwise noted in the consolidated financial statements for the years ended March 31, 2019 and 2018.

For the year ended March 31	2019	2018
	$	$
Consulting fees paid or accrued to the current president/CEO	85,000	30,000
Consulting fees paid or accrued to the former president/CEO	-	15,000
Consulting fees paid or accrued to the CFO	36,000	22,500

Balances due to related parties representing amounts owing or accrued to companies owned by officers and directors and amounts owing or accrued to officers and directors are $45,350 (2018 – $4,725). Balances due to related parties are non-interest bearing, are due on demand and bear no specific terms of repayment.

The Company paid or accrued the following compensation to key management during the years ended March 31, 2019 and 2018:

Key management	2019	2018
	$	$
Fees / Salaries / Bonuses	126,000	67,500
Share-based payments	-	250,407
Total compensation	126,000	317,907

Share-based payments represent the cost of shares issued to directors and the cost of key management's participation in the incentive stock option plan, as measured by the fair value of instruments granted accounted for in accordance with IFRS 2 *Share-based payments*. Refer to Note 6(c) for details of this plan.

Expressed in Canadian dollars

8. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of loss and comprehensive loss for the years ended March 31, 2019 and 2018:

	2019	2018
Income (loss) before taxes	$ (22,846,007)	$ (961,815)
Statutory tax rate	27.00%	26.25%
Expected income tax (recovery)	(6,168,422)	(252,476)
Non-deductible items	2,821,228	88,317
Change in foreign exchange rate	(863,309)	(8,856)
Change in deferred tax asset not recognized	4,210,503	173,015
Total income tax (recovery)	$ -	$ -

The statutory rate increased from 26.25% to 27% due to an increase in the British Columbia tax rate on January 1, 2018.

The unrecognized deductible temporary differences as at March 31, 2019 and 2018 are as follows:

	2019	2018
Canada		
Non-capital losses carry-forward	$ 9,198,204	$ 8,654,414
Exploration and evaluation assets	287,542	205,997
Property and equipment	96,066	120,082
Financing costs	128,841	201,111
	$ 9,710,653	$ 9,181,604

	2019	2018
USA:		
Net operating loss carry forwards	$ 4,303,743	$ 4,141,437
Exploration and evaluation assets	11,691,236	-
Property and equipment	138,775	116,763
	$ 16,133,754	$ 4,258,200

As at March 31, 2019, the Company has Canadian accumulated non-capital losses for tax purposes of approximately $9,198,204 (2018 - $8,654,414) that may be applied against future taxable income for Canadian income tax purposes. The losses expire as follows:

Expressed in Canadian dollars

2026	$ 23,046
2027	76,450
2028	21,828
2029	188,541
2030	138,549
2031	1,113,095
2032	1,711,980
2033	1,070,638
2034	1,306,195
2035	1,033,935
2036	921,321
2037	480,207
2038	568,128
2039	544,291
	$ 9,198,204

As at March 31, 2019, the Company has net operating loss carry forwards for US income tax purposes of approximately $4,303,743 (2018 - $4,141,437) from the Company's US subsidiary, Desert Hawk Resources Inc. that may be applied against future taxable income for US income tax purposes. The losses expire as follows:

2031	$ 64,406
2032	1,517,715
2033	982,865
2034	479,928
2035	384,993
2036	449,526
2037	221,812
No expiry	202,498
	$ 4,303,743

9. FINANCIAL INSTRUMENTS

(a) Fair values

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, and amounts payable to related parties. Cash and cash equivalents are classified as amortized cost and are carried at their amortized costs. Accounts payable and accrued liabilities and amounts payable to related parties are classified as other financial liabilities and are carried at their amortized cost.

The carrying value of the Company's financial assets and liabilities approximates their fair value due to the relatively short periods to maturity of these investments. Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used estimate the fair values. The three levels of the fair value 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 that are not based on observable market data.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash and cash equivalents are exposed to credit risk. The Company has assessed the credit risk on its cash and cash equivalents as low as its funds are held in highly rated Canadian financial institutions. As at March 31, 2019, $Nil of cash and cash equivalents were over the federally insured limit ($407,284 at March 31, 2018).

(c) 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 by maintaining adequate cash balances and by raising equity financing. The Company has no assurance that such financing will be available on favourable terms. The Company believes it is subject to liquidity risk through its working capital. In general, the Company attempts to avoid exposure to liquidity risk by obtaining corporate financing through the issuance of common shares. As at March 31, 2019, the Company had current assets of $67,598 to settle current liabilities of $400,975 which fall due for payment within twelve months of the balance sheet date. All of the Company's contractual obligations are current and due within one year.

(d) Foreign exchange risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has material transactions designated in a foreign currency. However, the foreign currency has been fairly stable when compared to the Canadian dollar and therefore management considers the foreign exchange risk to be minimal.

At March 31, 2019, approximately $15,700 of the Company's cash and cash equivalents and $233,100 of accounts payable and accrued liabilities were denominated in U.S. dollars. A 10% variation in the U.S. dollar would result in an impact of approximately $21,700 on net loss.

(e) 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 the market interest rates. The Company's cash and cash equivalents are currently held in cash and therefore management considers the interest rate risk to be minimal.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt or sell assets to settle liabilities.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company has no long term debt and is not subject to externally imposed capital requirements.

There were no changes in the Company's management of capital during the year ended March 31, 2019.

11. COMMITMENTS

The Company has a lease on premises at a net rent of $2,500 per month. The lease expires on June 30, 2020.

12. SEGMENTED INFORMATION

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in in the United States.

13. FINANCIAL STATEMENT PRESENTATION

For comparative purposes, the allocation of certain 2018 accounts has changed to agree with the allocation used in 2019. A license fee of $17,488 that in the 2018 financial statements was classified as maintenance of claims, has been reclassified as office and administration services as that is where the fee was allocated in the current year.

14. SUBSEQUENT EVENTS

(a) On June 28, 2019, the Company announced it has entered into an Amalgamation Agreement with Mountain Valley MD Inc. ("MVMD") and 2700915 Ontario Inc., a newly incorporated wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis (the "Proposed Transaction"). The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the Canadian Securities Exchange (the "CSE").

Mountain Valley MD Inc. is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world's leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a license to produce and sell high-quality strains of medical grade cannabis in British Columbia.

MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

(b) On July 12, 2019, pursuant to the proposed transaction, the Company announced that has closed the first tranche of a bridge loan financing (the “Bridge Loan Financing”), raising gross proceeds of $350,000 by way of the sale of 350 convertible debenture units (the “Convertible Debenture Units”) to MVMD Each Convertible Debenture Unit consisted of one secured convertible debenture of the Company (a “Convertible Debenture”) in the principal amount of $1,000 and 1,000 share purchase warrants of the Company (the “Convertible Debenture Warrants”). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a “Resulting Issuer Share”) of the resulting issuer upon completion of the Proposed Transaction (the “Resulting Issuer”) at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. Each Convertible Debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer (“Conversion Units”) at a price of $0.05 per Conversion Unit ($0.40, post-Consolidation). Each Conversion Unit will consist of one Resulting Issuer Share and one share purchase warrant (a “Conversion Warrant”), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. The Company granted MVMD a right of first refusal to subscribe for up to an additional 150 Convertible Debenture Units for an aggregate purchase price of up to $150,000. Meadow Bay paid MVMD a 7% loan administration fee in cash in the amount of $24,500 in connection with the Bridge Loan Financing. All securities issued or issuable pursuant to the Bridge Loan Financing are subject to a hold period of four months and a day in accordance with applicable securities legislation, expiring on November 12, 2019. The proceeds of the Bridge Loan Financing will be used to pay Meadow Bay’s professional fees and working capital expenditures.

SCHEDULE “B”

ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MOUNTAIN VALLEY MD INC. FOR THE YEAR ENDED MARCH 31, 2019

[see attached]

MOUNTAIN VALLEY MD INC.

Consolidated Annual Financial Statements

(Stated in Canadian Dollars)

For the period from incorporation on October 26, 2018 to March31, 2019

MOUNTAIN VALLEY MD INC.

March 31, 2019

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DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Directors of Mountain Valley MD Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mountain Valley MD Inc., which comprise the consolidated statement of financial position as at March 31, 2019 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mountain Valley MD Inc. as at March 31, 2019 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Mountain Valley MD Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Mountain Valley MD Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mountain Valley MD Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Mountain Valley MD Inc.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mountain Valley MD Inc.'s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Mountain Valley MD Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Mountain Valley MD Inc. to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Keith Macdonald.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
August 20, 2019

MOUNTAIN VALLEY MD INC.
Consolidated Statement of Financial Position

As at	Note	March 31 2019 $
ASSETS		
Current		
Cash		9,086,662
GST/HST receivable		21,012
Deposit - acquisition	16	100,000
Prepaid expenses and deposits	7	73,035
Note receivable	8	817,574
Total current assets		10,098,283
Non-current		
Property	6, 9	1,390,000
		1,390,000
Total assets		11,488,283
LIABILITIES		
Current		
Accounts payable and accrued liabilities	12, 17	224,337
Mortgage payable	10	310,000
Total current liabilities		534,337
SHAREHOLDERS' EQUITY		
Share capital	11	11,840,978
Subscriptions received	11	10,000
Deficit		(897,032)
Total shareholders' equity		10,953,946
Total liabilities and shareholders' equity		11,488,283

Note 2 c) – Going concern of operations
Note 16 – Commitments and contingent liabilities
Note 17 – Events after the reporting period

On behalf of the Company:

"Evan Clifford" Director
Evan Clifford

"Michael Monaco" Director
Michael Monaco

The accompanying notes form an integral part of these consolidated financial statements.

MOUNTAIN VALLEY MD INC.
Consolidated Statement of Loss and Comprehensive Loss

Period ended March 31	Note	2019 $
Expenses		
Business development and travel		132,280
Consulting fees	12	522,899
Mortgage interest	10	9,799
Office and miscellaneous		9,210
Professional fees	12	205,925
Property taxes		1,046
Rent	16	10,500
Utilities		5,373
		897,032
Net loss and comprehensive loss for the period		(897,032)
Loss per share – basic and diluted per common share		(0.01)
Weighted average shares outstanding, basic and diluted		93,720,659

The accompanying notes form an integral part of these consolidated financial statements.

MOUNTAIN VALLEY MD INC.
Consolidated Statement of Changes in Equity

	Note	Class A Number of shares	Class A Share capital $	Class B Number of shares	Class B Share capital $	Subscriptions received $	Deficit $	Total $
Balance at October 26, 2018		-	-	-	-	-	-	-
Share issuances	11	70,625,200	737,501	57,861,659	9,733,332	-	-	10,470,833
Share issue costs	11	-	-	-	(156,419)	-	-	(156,419)
Shares issued for consulting services	11,12	-	-	150,000	30,000	-	-	30,000
Shares issued pursuant to Share Exchange Agreement	6, 11	-	-	54,206,148	1,496,564	-	-	1,496,564
Subscriptions received	11	-	-	-	-	10,000	-	10,000
Net loss for the period		-	-	-	-	-	(897,032)	(897,032)
Balance at March 31, 2019		70,625,200	737,501	112,217,807	11,103,477	10,000	(897,032)	10,953,946

The accompanying notes form an integral part of these consolidated financial statements.

MOUNTAIN VALLEY MD INC.
Consolidated Statement of Cash Flows

Period ended March 31	Note	2019 $
Cash flows provided by (used in):		
Operating activities		
Net loss for the year		(897,032)
Adjustments for:		
Class B common shares issued for consulting services	11,12	30,000
Changes in non-cash working capital items:		
GST/HST receivable		(1,665)
Prepaid expenses and deposits		7,797
Accounts payable and accrued liabilities		165,337
Cash flows used in operating activities		(695,563)
Financing activities		
Issuance of share capital	11	10,470,833
Subscriptions received	11	10,000
Share issue costs	11	(156,419)
Cash flows provided by financing activities		10,324,414
Investing activities		
Cash acquired in acquisition transaction	6	375,385
Deposit – acquisition	16	(100,000)
Note receivable	8	(817,574)
Cash flows used in investing activities		(542,189)
Change in cash during the period		9,086,662
Cash, beginning of the period		-
Cash, end of the period		9,086,662

The accompanying notes form an integral part of these consolidated financial statements.

1. Corporate Information

Mountain Valley MD Inc. ("MVMD" or the "Company"), was incorporated under the laws of the province of Ontario on October 26, 2018. MVMD is a private corporation operating or intending to operate in the global cannabis industry in the areas of cultivation, research and development, production, manufacturing and marketing through strategic acquisitions and partnerships for the purposes of generating a market-leading global portfolio of high quality, vertically integrated, sustainable cannabis assets.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern (see note 2c).

The address of the Company's corporate office and principal place of business is 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

2. Basis of Presentation

a) Statement of compliance

These consolidated financial statements for the period ended March 31, 2019 have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee.

The Company adopted IFRS 9, Financial Instruments ("IFRS 9") and IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), which became effective January 1, 2018. Note 4 provides an overview of these new IFRS pronouncements.

The Company's board of directors approved the release of these consolidated financial statements on August 20, 2019.

b) Basis of measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of these consolidated financial statements is cost, net realizable value, fair value or recoverable amount. These consolidated financial statements, except for the statement of cash flows, are based on the accrual basis. These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

c) Going concern of operations

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. The Company is in the start up phase, incurred a loss of $897,032 during the period ended March 31, 2019 and, as of that date, the Company's deficit was $897,032. The Company is dependent on its ability to raise additional debt, equity and/or to generate revenue from operations to raise sufficient cash resources to execute its business plans. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $9,086,662 at March 31, 2019 to meet current financial obligations of $534,337. Management believes that the Company has sufficient working capital to maintain operations for the next 12 months.

3. Significant Accounting Policies

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Mountain Valley Medicinals Inc. ("MVM") and 0987182 B.C. Ltd. ("0987182") 100% owned by MVM and both incorporated under the laws of the province of British Columbia.

Subsidiaries are entities that are controlled, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

b) Foreign currencies

The Company assesses functional currency on an entity by entity basis based on the related fact pattern. However, the presentation currency used in these consolidated financial statements is determined at management's discretion.

The currency of the parent company, and the presentation currency applicable to these consolidated financial statements, is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of the exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company has determined that the functional currency of its wholly-owned subsidiaries is the Canadian dollar.

c) Property

Property is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed using the straight-line method over the assets' estimated useful lives, less their estimated residual value. Residual value and estimated useful lives are reviewed annually. The building is not being depreciated because it is not currently in use.

d) Impairment

At each statement of financial position reporting date the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value to their present value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the

3. Significant Accounting Policies (continued)

d) Impairment (continued)

recoverable amount is determined for the cash generating units to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of impairment is recognized immediately in profit or loss.

e) Share-based payment transactions

The Company's stock option plan allows directors, officers, employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

f) Provisions

Provisions are recognized in the consolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

g) Loss per share

The Company presents the basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

h) Financial instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

3. Significant Accounting Policies (continued)

h) Financial instruments (continued)

Cash and deposits

Cash and deposits are classified as financial assets that are subsequently measured at amortized cost.

Note receivable

Note receivable is initially recorded at fair value less transaction costs and is classified as a financial asset that is subsequently measured at amortized cost, calculated using the effective interest rate method.

Trade payables

Trade payables are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Trade payables are classified as financial liabilities that are subsequently measured at amortized cost.

Mortgage payable

Mortgage payable is initially recorded at fair value less transaction costs and is classified as a financial liability that is subsequently measured at amortized cost, calculated using the effective interest rate method.

Impairment

The Company recognizes an allowance using the Expected Credit Loss ("ECL") model on financial assets classified as subsequently measured at amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as subsequently measured at amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss has been recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss.

i) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

3. Significant Accounting Policies (continued)

i) Income taxes (continued)

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4. New Accounting Pronouncements and Recent Developments

The new IFRS pronouncements listed below became effective on January 1, 2018.

a) Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39.

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the statement of loss and comprehensive loss, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The new hedge accounting model in IFRS 9 aligns hedge accounting with risk management activities undertaken by an entity. Components of both financial and non-financial items are now eligible for hedge accounting, as long as the risk component can be identified and measured. The hedge accounting model includes eligibility criteria that must be met, but these criteria are based on an economic assessment of the strength of the hedging relationship.

b) Revenue from Contracts with Customers

IFRS 15 introduces a single principles-based, five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. The five steps are to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied. IFRS 15 also requires enhanced disclosures about revenue to help users better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

New IFRS pronouncements that have been issued but are not yet effective at the date of these consolidated financial statements are listed below. The Company plans to apply the new standards or interpretations in the annual period for which they are first required.

4. New Accounting Pronouncements and Recent Developments (continued)

a) Leases

The IASB issued IFRS 16, Leases ("IFRS 16"), which eliminates the classification of leases as either operating or finance leases for a lessee. IFRS 16 is effective from January 1, 2019. Under IFRS 16, all leases will be recorded on the statement of financial position. The only exemptions to this will be for leases that are 12 months or less in duration or for leases of low-value assets. The requirement to record all leases on the statement of financial position under IFRS 16 will increase "right-of-use" assets and lease liabilities on an entity's financial statements. IFRS 16 will also change the nature of expenses relating to leases, as the straight-line lease expense previously recognized for operating leases will be replaced with depreciation expense for right-of-use assets and finance expense for lease liabilities. IFRS 16 includes an overall disclosure objective and requires a company to disclose (a) information about right-of-use assets and expenses and cash flows related to leases, (b) a maturity analysis of lease liabilities and (c) any additional company-specific information that is relevant to satisfying the disclosure objective.

The Company will apply IFRS 16 as at April 1, 2019.

b) Conceptual Framework

In March 2018, the IASB issued a comprehensive set of concepts for financial reporting, the revised Conceptual Framework for Financial Reporting ("revised Conceptual Framework"), replacing the previous version of the Conceptual Framework issued in 2010. The purpose of the revised Conceptual Framework is to assist preparers of financial reports to develop consistent accounting policies for transactions or other events when no IFRS applies or IFRS allows a choice of accounting policies and to assist all parties to understand and interpret IFRS.

The revised Conceptual Framework sets out the objective of general purpose financial reporting; the qualitative characteristics of useful financial information; a description of the reporting entity and its boundary; definitions of an asset, a liability, equity, income and expenses and guidance on when to derecognize them; measurement bases and guidance on when to use them; concepts and guidance on presentation and disclosure; and concepts relating to capital and capital maintenance. The revised Conceptual Framework provides concepts and guidance that underpin the decisions the IASB makes when developing standards but is not in itself an IFRS standard and does not override any IFRS standard or any requirement of an IFRS standard. The revised Conceptual Framework is applicable to annual periods beginning on or after January 1, 2020 for preparers who develop an accounting policy based on the Conceptual Framework.

5. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies and significant estimates and assumptions made are as follows:

Critical Judgments

Going concern of operations

Management has made the determination that the Company will continue as a going concern for the next year.

5. Critical Accounting Judgements, Estimates and Assumptions (continued)

Assessment of impairment indicators

Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required. The information considered in assessing whether there is an indicator of impairment or impairment reversal includes, but is not limited to, market transactions for similar assets, commodity prices, interest rates, inflation rates, the Company's market capitalization and operating results.

6. Share Exchange Agreement

On January 10, 2019, the Company entered into a share exchange agreement (the "SEA") with Mountain Valley Medicinals Inc. ("MVM"), a private company incorporated under the laws of the province of British Columbia, and the shareholders of MVM to purchase all of the issued and outstanding common shares of MVM from the MVM shareholders in exchange for 54,206,148 Class B common shares of MVMD valued at $1,496,564.

The Company has recorded the acquisition of MVM as an asset acquisition as follows:

Purchase price consideration:	
	$
Class B common shares issued	1,496,564
Assets acquired and liabilities assumed:	
Cash	375,385
GST/HST receivable	19,347
Prepaid expenses and deposits	80,832
Building	1,390,000
Accounts payable and accrued liabilities	(59,000)
Mortgage payable	(310,000)
	1,496,564

MVM's subsidiary submitted an application to Health Canada in June 2014 to become a licensed producer under the Marijuana for Medical Purposes Regulations ("MMPR"). The application is under review and has not been approved.

Pursuant to the SEA, the Company proceeded with a private placement offering and sale of units to raise gross proceeds of not less than $5,000,000 and up to $7,000,000 or such other minimum and maximum amount(s) as may be determined by the Company in its sole discretion (subsequently increased to a target maximum of $10,000,000) at a purchase price of $0.20 per unit or as otherwise determined by the Company. Each unit consists of one Class B common share of the Company and one half of one purchase warrant (subsequently changed to one purchase warrant), with each full warrant entitling the holder to acquire one Class B common share of the Company at an exercise price of $0.35 per share (see notes 11 and 17).

7. Prepaid Expenses and Deposits

At March 31, 2019, prepaid expenses and deposits are made up of the following amounts:

	March 31, 2019 $
Prepaid expenses	38,390
Deposits	34,645
	73,035

8. Note Receivable

During the period ended March 31, 2019, MVMD executed a term sheet with a private corporation ("US Privco") that is funding an application with the U.S. Drug Enforcement Administration ("DEA") to become registered under the Controlled Substances Act to manufacture and supply marijuana for medical research in the United States. That parties agreed that MVMD would purchase a 10% equity interest valued at USD600,000 by way of private placement of that number of shares of common stock and to purchase an additional 10% of the common stock from US Privco's shareholders directly in consideration for 5,000,000 Class B common shares of MVMD, such that on closing, MVMD would have a 20% equity interest in US Privco. The term sheet also contemplates the grant of an option to purchase an additional 40% equity interest in US Privco (the "Option"), bringing the total equity interest to 60%, for an additional payment of USD2,000,000 plus the issuance of 8,000,000 Class "B" common shares of MVMD.

MVMD advanced USD600,000 ($817,574 as at March 31, 2019) to US Privco in return for a promissory note, contemplating the repayment of the principal balance by way of issuance of common shares of Privco to MVMD representing the first 10% equity interest described above. This advance bears interest at the rate equal to the applicable federal rate prescribed by the Internal Revenue Code section 1274 on December 20, 2018 and matures on March 31, 2019. MVMD has the right to request a security interest in and to any and all of US Privco's assets.

The foregoing transaction was completed on June 10, 2019 (see note 17).

On December 28, 2018, a shareholder of US Privco became the CFO of MVMD (see note 12).

9. Property

	Building $	Total $
Cost		
Additions during the period (note 6)	1,390,000	1,390,000
At March 31, 2019	1,390,000	1,390,000
Accumulated amortization and impairment		
Additions during the period		
Depreciation expense	-	-
Impairment provision	-	-
At March 31, 2019	-	-
Net book value		
At March 31, 2019	1,390,000	1,390,000

The building is not being depreciated because it is not currently in use.

10. Mortgage Payable

On January 27, 2015, 0987182 entered into a first mortgage for the principal amount of $310,000 with Cambridge Mortgage Investment Corporation ("CMIC") on a building located in Qualicum Beach, British Columbia. The mortgage, renewed on February 1, 2019 (and February 1, 2017), bears interest at 8.95% (8.49%), has interest-only monthly payments of $2,312 ($2,193), can be prepaid without penalty and matures on August 1, 2019 (see note 17). An assignment of rents has been given to CMIC by way of additional and collateral security.

11. Share Capital

a) Share Capital

Authorized:

The Company has authorized share capital of:

- Unlimited Class A voting common shares without par value.
- Unlimited Class B non-voting common shares without par value.

The Company may, from time to time and in the absolute discretion of the directors, pay dividends on the Class A common shares or Class B common shares, or any of them, in such amount and at such time and place as the directors may determine.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company or other distribution of property of the Company among shareholders for the purpose of winding-up its affairs, the holders of Class A common shares and Class B common Shares are entitled to receive the remaining property of the Company equally. If the Company is not a reporting issuer or an investment fund within the meaning of applicable securities legislation, then no securities (other than non-convertible debt securities) can be transferred without either:

- the previous consent of the board of directors; or
- the previous consent of the holders of at least 51% of the securities of the specified class being outstanding.

Issued

The Company has issued share capital of:

- 70,625,200 Class A common shares.
- 112,217,807 Class B common shares.

Share Issuance

On October 26, 2018, the Company issued 200 Class A common shares as seed shares at $0.005 per share for gross proceeds of $1.

On December 7, 2018, the Company issued 45,000,000 Class A common shares at $0.005 per share for gross proceeds of $225,000.

On December 21, 2018, the Company issued 25,625,000 Class A common shares at $0.02 per share for gross proceeds of $512,500.

On January 9, 2019, the Company issued 12,260,000 Class B common shares at $0.05 per share for gross proceeds of $613,000.

On January 10, 2019, the Company issued 54,206,148 Class B common shares pursuant to the SEA with MVM (see note 6). These shares were ascribed a fair value of $1,496,564.

On February 28, 2019, the Company issued 150,000 Class B common shares pursuant to a consulting agreement for marketing and business development services. These shares were ascribed a fair value of $30,000.

In February and March 2019, the Company issued a total of 45,601,659 Class B common shares at $0.20 per share for gross proceeds of $9,120,332. In connection with these share issuances, the Company paid cash share issue costs of $156,419 (see notes 6 and 12).

As at March 31, 2019, the Company had received $10,000 related to an offering of Class B common shares at $0.20 per share. These shares were issued subsequent to year-end (see notes 6 and 17).

11. Share Capital (continued)

b) Stock Options

In January 2019, pursuant to its stock option plan, the Company granted 8,288,500 stock options to officers, directors and consultants of the Company to purchase up to 8,288,500 Class A common shares of the Company at an exercise price of $0.05. The options vest and become exercisable as at the date upon which the Company becomes listed for trading on any nationally recognized stock exchange in Canada. The options expire five years following the vesting date.

c) Warrants

A summary of warrant activity during the period ended March 31, 2019 is as follows:

	Outstanding Warrants	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price $
October 26, 2018	-		-
Issued	45,601,659	1.91	0.35
March 31, 2019	45,601,659	1.91	0.35

The Company's outstanding warrants as at March 31, 2019 were as follows:

	Warrants		
Expiry Date	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price $
February 21, 2021	38,388,910	1.60	0.35
March 8, 2021	4,114,537	0.18	0.35
March 18, 2021	3,098,212	0.13	0.35
	45,601,659	1.91	0.35

See note 6.

12. Related Party Transactions

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Period ended March 31	2019 $
Short-term benefits (1)	163,670
Share issue costs (2)	44,750
	207,420

(1) Comprised of $5,650 in accounting fees paid to a company controlled by the financial controller of the Company and $157,520 in consulting fees paid to a company controlled by the president of MVM.
(2) Paid to a company controlled by the president of MVM.

The fees charged by the related parties are in the normal course of operations and are measured at the exchange amount which is amount of consideration established and agreed to by the related parties.

12. Related Party Transactions (continued)

Included in accounts payable and accrued liabilities as at March 31, 2019, was $82,938 owing to related parties. The payment terms are similar to the payment terms of non-related party trade payables.

On August 13, 2018, MVM entered into a consultant agreement with a company controlled by an insider of the company for consulting services. Pursuant to the agreement:

- consulting services include providing onsite general assistance and advice on all aspects needed by the company for all construction related matters of its ACMPR cannabis business and providing assistance in related matters on as-required basis;
- the consultant will receive compensation of $4,850 per month inclusive of applicable taxes; and
- the agreement will continue on a month-by-month basis unless otherwise cancelled upon five days' notice by either party or the parties agree to enter into an employment agreement.

On December 28, 2018, MVMD entered into a consulting agreement for CFO services with a company controlled by a shareholder of US Privco (see note 8) for his consulting services. Pursuant to the agreement (which was executed subsequent to the term sheet and promissory note described in note 8):

- the consultant will act in the capacity of CFO to provide financial, management and administration services on an as-required basis;
- the consultant will receive the following compensation:
    - in and for any part of the period from December 28th and concluding on the earlier of: (i) December 27, 2019 and (ii) the date upon which MVMD's shares begin trading on a recognized stock exchange in Canada (the "initial term"), MVMD will pay the consultant by way of grant of 1,000,000 stock options (*issued in January 2019*) exercisable for a period of five years at $0.05 and which vest 100% upon the last day of the initial term (see note 11);
    - thereafter, in and for any part of each contract year in which services are provided, the number of options approved by the board of directors of MVMD or payment in any other form and manner as agreed between the consultant and MVMD; and
- the agreement will continue until either party gives 30 days written notice of termination.

13. Capital Disclosures

The Company manages its cash, common shares, warrants and share purchase options as capital (see note 11). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company expects its current capital resources will be sufficient to carry out its planned operations in the near term.

14. Risk Management

The Company's financial instruments are exposed to certain risks, including credit risk, liquidity risk, interest rate risk and market risk.

a) Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. Credit risk arises from cash, deposits and note receivable. While the Company is exposed to credit losses due to the non-performance of its counterparties, management does not consider this to be a material risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. As at March 31, 2019, the Company had cash of $9,086,662 to meet current financial liabilities of $534,337.

Trade accounts payable and accrued liabilities are due within the current operating period.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company's note receivable is denominated in USD (see note 8).

d) Fair value of financial instruments

The fair value of the Company's financial assets and liabilities approximate the carrying amount due to their short term nature and capacity for prompt liquidation.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

As at March 31, 2019, the Company did not have any financial assets and liabilities which are measured at fair value. There were no transfers between Level 1, 2 or 3 during the period ended March 31, 2019.

15. Income Taxes

a) Provision for current tax

No provision has been made for current income taxes, as the Company has no taxable income.

b) Provision for deferred tax

As at March 31, 2019, the Company has unused non-capital loss carry forwards of approximately $928,000 expiring in 2039 available for deduction against future years' taxable income. As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized.

15. Income Taxes (continued)

b) Provision for deferred tax (continued)

The provision for income taxes differs from the amount that would have resulted by applying combined federal and provincial statutory rates of 27.00% to the Company's loss before income taxes. A reconciliation of income taxes at statutory rates is as follows:

	2019 $
Net loss for the period before tax recovery	(897,032)
Expected income tax recovery	(242,199)
Net adjustment for deductible and non-deductible amounts	(42,233)
Unrecognized benefit on non-capital losses	284,432
Total income tax	-

The Company's deductible temporary differences and unused tax losses consist of the following amounts:

	2019 $
Non-capital loss carry-forwards	928,000
Share issuance costs	125,136
	1,053,136

16. Commitments and Contingent Liabilities

On May 31, 2018, MVM entered into an independent contractor agreement with a private company in the business of construction and general contracting to act as project manager and provide general contracting services for the purposes of renovating and/or building a licensed marijuana manufacturing facility. Pursuant to the agreement:

- the project manager will receive a fee calculated as a percentage based on the actual cost of all elements necessarily incurred to construct and/or renovate the project including, but not limited to, all contracts secured for MVM, materials, equipment (including installation) and all costs related to the specified scope of services (collectively the "costs") as follows – 10% on the first $5,000,000 of costs, 7% on the next $5,000,000 of costs and 5% on any costs over $10,000,000;
- fees paid to the project manager will be 75% in the form of cash consideration and 25% in the form of equity consideration in MVM in a manner that is mutually agreed to. Equity consideration will be valued at a price of $0.20 per common share of MVM;
- the agreement will continue on a phase-to-phase or project-to-project basis unless earlier terminated; and
- the agreement may be terminated by either party without cause upon 30 days' notice to the other party and immediately by either party for cause.

Effective September 28, 2018, MVM entered into a sublease agreement as the subtenant for office premises in Toronto, Ontario for a period of one year commencing on November 1, 2018 and terminating on October 31, 2019, with the option to renew the lease for an additional period of one year under the same terms and conditions, except as for the further right of renewal. Gross rent was payable in one instalment of $60,000 plus H.S.T. 30% of the premises is being used by another individual who paid 30% of the instalment and is paying 30% of the lease payments directly.

16. Commitments and Contingent Liabilities (continued)

On December 22, 2018, MVMD entered into a binding letter of intent (the "LOI") with a private company in Colombia ("Colombian Privco"), dedicated to the cultivation of medical cannabis, and one of its shareholders, a biopharmaceutical company focused on innovative product development and advanced clinical research in the medical cannabis industry, to summarize the principal terms of a proposed transaction pursuant to which MVMD, directly or through a wholly-owned subsidiary, proposes to subscribe for a 10% interest in Colombian Privco and to acquire, directly or through a wholly-owned subsidiary, an additional 15% of the then issued and outstanding shares of Colombian Privco from the shareholder. Upon execution and delivery of a definitive agreement, or multiple agreements in lieu, the LOI will be superseded. Pursuant to the LOI:

- the subscription price for the shares of Colombian Privco will be $2,800,000 in cash payable on execution of the definitive agreement;
- the purchase price for the additional 15% interest will be $4,200,000 payable as follows:
  - $2,000,000 in cash; and
  - $2,200,000 in shares of MVMD at a deemed price of $0.20 per share; and
- a $100,000 deposit will be paid by MVMD *(paid*); and
- Colombian Privco and MVMD will enter into a proposed supply agreement or, prior to entering into a supply agreement, a right of first refusal pursuant to which MVMD will be entitled to contract with Colombian Privco for all products produced by Colombian Privco at an agreed upon pricing formula and that contains a term that grants MVMD a right of first refusal to export product to Australia and the United States.

See note 17.

17. Events After the Reporting Period

On April 4, 2019, MVMD entered into a subscription and share purchase agreement (the "SSPA") with Colombian Privco. Pursuant to the SSPA:

- MVMD subscribed for 17,892,248 common shares (representing 10% post subscription) of Colombian Privco (*issued to MVMD (Colombia) Inc. on April 11th*) for an aggregate subscription price of $2,800,000 (*paid on April 11th)*;
- MVMD agreed to purchase an additional 26,838,372 common shares of Colombian Privco (representing 15% post subscription) from existing shareholders of Colombian Privco (*transferred to MVMD (Colombia) Inc. on April 11th*) for an aggregate purchase price of $4,200,000 payable as follows:
  - a cash payment of $2,000,000 (*paid on April 11th*); and
  - $2,200,000 in common shares of the Company at a deemed price equal to $0.20 per share (*11,000,000 Class B common shares issued on April 11th*);
- the $100,000 deposit paid by MVMD pursuant to the LOI (see note 16) will be returned to MVMD (*received on April 4th*); and
- MVMD is granted a right of first refusal to enter into a supply agreement for export of product to Australia and the United States; and
- for a period of one year, Colombian Privco is granted a right of first refusal to enter into an agreement with MVMD for the export of product to any territory in the world, excluding Canada and any countries where export of the product is not prevented by applicable laws.

On April 11, 2019, the Company paid $2,000,000 and issued 11,000,000 Class B common shares pursuant to the SSPA with Colombian Privco.

On April 11, 2019, the Company incorporated MVMD (Colombia) Inc. under the laws of the province of Ontario and pursuant to Colombian Privco's shareholders agreement dated August 18, 2017, MVMD (Colombia) Inc. entered into a joinder agreement as a joining shareholder of Colombian Privco.

17. Events After the Reporting Period (continued)

On May 9, 2019, MVMD entered into a subscription letter with a company in the United Kingdom ("UK Privco") that is an established, fully integrated European-based medical cannabis company. Pursuant to the subscription letter, MVMD applied for 700,000 ordinary shares of UK Privco (*received on June 18th*) for a subscription price of £105,000 ($184,958) (*paid on May 13th*).

On May 13, 2019, the Company paid $184,958 pursuant to the subscription letter with UK Privco.

On June 5, 2019, the Company issued 4,302,500 Class B common shares at $0.20 per share for gross proceeds of $860,500 and 4,302,500 Class B common share purchase warrants. The warrants are exercisable at $0.35 per Class B common share and expire two years from the grant date subject to acceleration provisions. $10,000 of this amount was included in subscriptions received as at March 31, 2019 (see notes 6 and 11).

On June 10, 2019, MVMD entered into a consulting agreement for president and CEO services with a company controlled by the consultant for his consulting services. Pursuant to the agreement:

- the consultant will act in the capacity of president and CEO to provide those services ordinarily required by a private corporation which intends to become a reporting issuer and publicly traded corporation;
- the consultant will receive the following compensation:
  - in and for any part of the period from June 10th and concluding on August 30, 2019 (the “initial term”), MVMD will pay the consultant $40,000 for the period from June 10th to June 30th and $57,500 for each of July and August, payable by the issuance of an aggregate of 775,000 Class B Common shares of MVMD at a valued price of $0.20 per share on or about the termination date of the initial term; and
  - thereafter, in and for any part of each contract year in which the services are provided, such compensation as approved by the board of directors and as agreed between the consultant and MVMD; and
- the agreement will continue until either party gives the other 60 days written notice of termination.

This agreement supersedes the marketing and business development consulting agreement with the consultant entered into on February 1, 2019.

On June 10, 2019, MVMD entered into a Subscription Agreement with US Privco and acquired 1,333,333 common shares of US Privco, representing 10% of the issued and outstanding shares of US Privco, by way of conversion of a promissory note in the amount of USD600,000 (see note 8).

Also on June 10, 2019, MVMD entered into share purchase agreements with the sole shareholders of US Privco and acquired an additional 1,333,334 common shares of US Privco, representing a second 10% of the issued and outstanding shares of US Privco, by the issuance of 5,000,000 Class B common shares (see note 8). The terms of an option to acquire an additional 40% equity interest in US Privco for an additional payment of USD2,000,000 plus the issuance of 8,000,000 Class “B” common shares of MVMD are to be negotiated in good faith by MVMD and the shareholders of US Privco.

On June 28, 2019, MVMD entered into an amalgamation agreement with Meadow Bay Gold Corporation (“MBGC”), a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and a wholly-owned Ontario subsidiary of MBGC (“Subco”) to effect the combination of their respective businesses and assets by way of a “three-cornered amalgamation” between MBGC, MVMD and Subco to form a new corporation (“Amalco”) in accordance with the provisions of the Business Corporations Act (Ontario) (the “OBCA”). Pursuant to the amalgamation agreement:

- MBGC will consolidate its issued and outstanding common shares on a 8 pre-consolidation common shares for 1 post-consolidation share basis;

17. Events After the Reporting Period (continued)

- MVMD will subscribe for 350 MBGC convertible debenture units *(subscribed for on July 11th and $325,500 paid*) upon MBGC's satisfaction of the MBGC financing conditions (being a detailed description of the use of proceeds) subject to the MBGC financing fee. Each unit is comprised of one MBGC convertible debenture in the principal amount of $1,000 bearing interest at 10% per annum to be accrued and having a maturity date of four years and 1,000 MBGC convertible debenture warrants with each warrant being exercisable for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06. Each unit is convertible into one pre-consolidation common share and one warrant of MBGC with each warrant being convertible into one pre-consolidation common share of MBGC for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06;
- MBGC may proceed with a potential private placement offering of up to an additional 150 MBGC convertible debenture units to raise additional gross proceeds of up to a maximum of $150,000 with MVMD having a right of first refusal;
- MVMD will complete a private placement; and
- if MVMD terminates the amalgamation agreement because of an uncured breach by MBGC and MBGC consummates an acquisition transaction within one year of the date of termination, MBGC will pay a $500,000 break fee to MVMD.

Completion is subject to all required consents, orders and approvals, including, without limitation regulatory approvals required, necessary or desirable for the completion of the proposed transactions.

On the effective date of the amalgamation:

- Subco and MVMD will amalgamate to form Amalco and will continue on as one corporation under the OBCA;
- every MVMD Class A and Class B common share prior to the amalgamation will receive one post-consolidation MBGC share;
- every Subco share prior to the amalgamation will receive one Amalco share; and
- the name of Amalco will be Mountain Valley MD Inc. or such other name as otherwise agreed to.

On July 3, 2019, the Company issued 773,000 Class B common shares pursuant to shares-for-services agreements. Of this amount, 360,000 shares were in respect of $72,000 included in accounts payable and accrued liabilities as at March 31, 2019.

On July 5, 2019, MVMD entered into a binding letter of intent ("LOI 1") with a private company operating in the state of New Jersey ("NJ Privco"), in the business of developing, manufacturing and licensing desiccated liposomes, and its shareholders. Pursuant to LOI 1 and subject to a due diligence review:

- the parties will negotiate one or more binding, definitive agreements anticipated to include an asset purchase agreement, one or more intellectual property assignment agreements and a consulting agreement which will result in the acquisition by MVMD, either directly or indirectly through a subsidiary, of the specified patents, inventions, trademarks, supply agreements and any/all related intellectual property (the "Privco Assets"), with the closing date being on or before September 30, 2019 or such later date as may be agreed upon;
- the principal terms of the proposed transaction are to be substantially as follows:
    - on the closing date, the Privco Assets will be sold, transferred and assigned to MVMD or a subsidiary of MVMD;

17. Events After the Reporting Period (continued)

- compensation will be comprised of an aggregate of:
  - an aggregate cash payment of $1,000,000;
  - 25,000,000 Class B common shares of MVMD; and
  - 10,000,000 warrants to acquire the same number of Class B common shares of MVMD with, subject to certain specified terms and conditions, each warrant being exercisable for a period of five years at an exercise price of $0.60 per share subject to forced exercise in the event that MVMD becomes a publicly traded company and its common shares trade on a nationally recognized exchange at $1 or higher for a period of five trading days, following notice of which they will expire if not exercised within 30 days
- compensation will be paid as follows and subject to the following:
  - an initial payment of $100,000 (*paid on July 11th*) comprised of specified third party expenses to be determined and a deposit;
  - an amount equal to $500,000 less the deposit and 10,000,000 Class B common shares on the closing date;
  - $250,000 and 5,000,000 Class B common shares following the completion of the specified agreement and its assignment to MVMD or a subsidiary of MVMD and thereafter upon receipt of combined licensing fees and royalties in connection therewith equal to a minimum value of USD200,000;
  - $250,000 and 5,000,000 Class B common shares following the completion of the second specified agreement and its assignment to MVMD or a subsidiary of MVMD and thereafter upon receipt of orders equal to a minimum value of USD200,000;
  - 2,500,000 Class B common shares upon the achievement of production and sales of the specified product resulting in a minimum net profit of $50,000;
  - 2,500,000 Class B common shares upon the achievement of production and sales of the second specified product resulting in a minimum net profit of $50,000; and
  - 10,000,000 warrants upon receipt by MVMD or a subsidiary of MVMD of a minimum of USD2,000,000 in gross revenues arising from the NJ Privco Assets;

- MVMD or a subsidiary of MVMD will engage a NJ Privco shareholder for a period of two years, unless earlier terminated in accordance with the terms of the applicable agreement, in the anticipated capacity of Chief Science Officer on terms to be determined and agreed upon for consideration of $10,000 per month payable following the completion of an additional license and supply agreement with a minimum value of $75,000;
- in the event that the transaction does not complete, the initial payment of $100,000 will immediately be deemed to be a loan from MVMD secured against the assets of the NJ Privco parties, repayable within 30 days or such longer period as may be agreed upon and bearing interest at 10% per annum; and
- LOI 1 will terminate on the following date:
  - automatically upon execution of the agreements;
  - if the agreements are not executed, on or before the end of the exclusivity period of three months or such later date as may be agreed upon; and
  - by MVMD giving notice, prior to the end of the exclusivity period, that it has determined that as a result of its due diligence review it is not prepared to complete the transaction.

17. Events After the Reporting Period (continued)

On July 9, 2019, MVMD entered into a non-binding letter of intent ("LOI 2") with a private company in Colombia ("Colombian Privco 2") operating in the cannabis industry. Pursuant to LOI 2 and subject to a due diligence review:

- MVMD will acquire 100% of the shares of Colombian Privco 2for a purchase price of $2,080,000 anticipated to be payable as follows:
  - a $130,000 refundable deposit (*paid on July 16th*); and
  - $1,950,000 in Class B common shares of MVMD at a deemed price equal to $0.20 per share, being 9,750,000 shares;
- the parties will negotiate a binding, definitive agreement containing the terms and conditions of the transaction with the closing date being set at 45 days from the date of the definitive agreement;
- in the event that MVMD terminates LOI 2 as a result of a delay, act and/or omission on its part, the deposit will be forfeited or in the event that LOI 2 is terminated as a result of an event outside of the control of the parties, MVMD will receive $25,000 to cover its costs; and
- LOI 2 will automatically terminate, unless otherwise mutually agreed, upon the earlier of:
  - execution of the definitive agreement;
  - mutual agreement;
  - the end of the exclusivity period of 45 days in the event that the transaction does not complete; or
  - at any time by notice given by MVMD that, as a result of its due diligence review, it does not want to proceed with the transaction.

On July 11, 2019, MVMD subscribed for a convertible debenture of MBGC in the principal amount of $350,000 *($350,000 paid*) including 350,000 warrants pursuant to the amalgamation agreement with MBGC. The debenture bears interest at 10% per annum which accrues and is payable on the earlier of the conversion date or maturity, matures on July 11, 2023, is secured by a general security agreement, is convertible at the option of MVMD in $10,000 increments or multiples thereof and is redeemable in certain circumstances by MBGC.

On July 11, 2019, the Company paid $100,000 pursuant to LOI 1 with NJ Privco.

On July 16, 2019, the Company paid $130,000 pursuant to LOI 2 with Colombian Privco 2.

On August 1, 2019, 0987182 renewed the mortgage for a term of six months. The mortgage bears interest at 9.49%, has interest-only monthly payments of $2,452, can be prepaid without penalty and matures on February 1, 2020 (see note 10).

In July and August 2019, the Company received subscriptions totaling $55,000 relating to an offering of units at $0.40 per unit, each unit consisting of one Class “B” common share and one half of one share purchase warrant, each warrant exercisable at $0.60 per Class B common share for 2 years from the issuance date, subject to acceleration provisions.

SCHEDULE “C”

INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MEADOW BAY GOLD CORPORATION FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

[see attached]

MEADOW BAY GOLD CORPORATION

Interim Consolidated Financial Statements

June 30, 2019 and 2018

(Unaudited)

In accordance with National Instrument 51-102 Part 4, *Continuous Disclosure Obligations,* subsection 4.3(3)(a), **WE HERBY GIVE NOTICE** that our consolidated financial statements for the interim period ended June 30, 2019, which follows this notice, have not been reviewed by an auditor.

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Financial Position
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

	June 30, 2019	March 31, 2019
ASSETS		
Current assets		
Cash	$ 131	$ 39,617
Other receivable	13,324	16,591
Prepaid expenses	11,544	11,390
	24,999	67,598
Property, plant and equipment		
Exploration and evaluations assets (Note 3)	6,000,000	6,000,000
Plant and equipment (Note 4)	295,121	315,978
	6,295,121	6,315,978
	$ 6,320,120	$ 6,383,576
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 353,642	$ 350,625
Amounts payable to related parties (Note 7)	82,300	50,350
Current portion of lease payable (Note 5)	29,055	28,627
	464,997	429,602
Long term debt		
Lease payable (Note 5)	-	7,426
	464,997	437,028
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	35,048,332	35,048,332
Contributed surplus	7,140,174	7,140,174
Accumulated other comprehensive income	4,382,053	4,383,507
Deficit	(40,715,436)	(40,625,465)
	5,855,123	5,946,548
	$ 6,320,120	$ 6,383,576

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

Approved by:

"Robert Dinning" **, Director**
Robert Dinning

"Jordan Estra" **, Director**
Jordan Estra

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

For the three months ending June 30	**2019**	**2018**
Operating expenses		
Consulting - general and administration	$ 31,500	$ 31,000
Depreciation	15,054	15,105
Interest on lease payments	502	905
Office and administration services	27,498	34,904
Professional fees	7,500	88,863
Trade shows and investor relations	128	-
Transfer agent and filing	6,848	10,021
Travel	941	4,472
	89,971	185,270
Net loss for the three-month period	(89,971)	(185,270)
Other comprehensive income (loss)		
Translation adjustment	(1,454)	368,951
Comprehensive income (loss) for the three-month period	$ (91,425)	$ 183,681
Basic and diluted loss per share	$ (0.00)	$ (0.00)

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

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Changes in Equity
Expressed in Canadian dollars
For the period from March 31, 2018 to June 30, 2019
(Unaudited – Prepared by Management)

	Share capital Number of shares	Amount	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, March 31, 2018	50,056,228	$ 35,048,332	$ 7,140,174	$ 3,760,470	($ 17,778,422)	$ 28,170,554
Net comprehensive loss for three months ending June 30, 2018	-	-	-	368,951	(185,270)	183,681
Balance, June 30, 2018	50,056,228	35,048,332	7,140,174	4,129,421	(17,963,692)	28,354,235
Net comprehensive loss for nine months ending March 31, 2019				254,086	(22,661,773)	(22,407,687)
Balance, March 31, 2019	50,056,228	35,048,332	7,140,174	4,383,507	(40,625,465)	5,946,548
Net comprehensive loss for three months ending June 30, 2019	-	-	-	(1,454)	(89,971)	(91,425)
Balance, June 30, 2019	50,056,228	$ 35,048,332	$ 7,140,174	$ 4,382,053	$ (40,715,436)	$ 5,855,123

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

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Cash Flows
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

For the three months ending June 30	2019	2018
Cash Flows from (used in) Operating Activities		
Net loss for the three months	$ (89,971)	$ (185,270)
Items not affecting cash		
Depreciation	15,054	15,105
Interest on lease	502	905
Net change in non-cash working capital items		
Other receivable	3,267	(7,458)
Prepaid expenses	(154)	11,905
Accounts payable and accrued liabilities	7,366	32,958
Amounts payable to related parties	31,950	3,000
	(31,986)	(128,855)
Cash Flows from used in Investing Activities		
Exploration costs of resource properties	-	(10,030)
	-	(10,030)
Cash Flows from used in Financing Activities		
Lease payments	(7,500)	(7,500)
	(7,500)	(7,500)
Decrease in cash	(39,486)	(146,385)
Cash, beginning of period	39,617	508,434
Cash, end of period	$ 131	$ 362,049
Supplemental Disclosure of Cash Flow Information		
Decrease in ccounts payable included in exploration and evaluation assets	$ -	$ 10,030

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Meadow Bay Gold Corporation (the "Company" or "Meadow Bay") was incorporated under the provisions of the British Columbia Business Corporations Act on March 8, 2005. The Company changed its name from Meadow Bay Capital Corporation on April 4, 2011. The Company's common shares are traded on the Canadian Securities Exchange ("Exchange") under the symbol "MAY".

The head office, principal address and records office of the Company are located at Suite 210 – 905 West Pender Street, Vancouver, BC, Canada V6C 1L6.

These interim 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. There are conditions and events which constitute material uncertainties that may cast significant doubt on the validity of this assumption. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used.

Management has estimated that the Company will have adequate funds from existing working capital and from anticipated financing yet to be completed that will be sufficient to meet corporate, administrative and other obligations during the year ending March 31, 2020. The Company has the ability to reduce its expenditures and therefore continue to operate with current working capital to meet administrative overhead commitments. However, to continue with exploration activities the Company will need to raise additional funds. During the year ended March 31, 2019 the Company did not raise any funds from private placements (2018 - $1,200,500 was raised). While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

During the years ended March 31, 2019 and 2018, the Company experienced operating losses before income taxes and negative operating cash flows with the operations of the Company having been primarily funded by the issuance of shares. The Company expects to incur further losses in the development of its business. Management has estimated that the Company will require additional financing in order to complete all planned exploration and other programs for the Atlanta Gold and Silver Mine property during the year ending March 31, 2020. If funds are unavailable on terms satisfactory to the Company some or all planned activities may be cancelled or postponed. Continued operations are dependent on the Company's ability to complete public equity financing, secure project debt financing or generate profitable operations in the future. For the three months ended June 30, 2019, the company incurred a loss of $89,966, has accumulated losses of $40,714,395 and a working capital deficit of $410,943.

In the event that cash flow from operations, if any, together with the proceeds for any future financings are insufficient to meet the Company's operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deem to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations. Furthermore, as discussed in Note 12, *Subsequent Events,* the Company has entered into an agreement which results in a fundamental change to the Company's business. Changes to the existing operations may be affected by this change.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting of the International Financial Reporting Standards" ("IFRS").

The interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

The interim consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2019.

These interim consolidated financial statements include the accounts of the parent company and its wholly owned subsidiary, Desert Hawk Resources Inc. ("Desert Hawk"), a company incorporated in Nevada, USA. All significant intercompany balances and transactions have been eliminated.

These interim consolidated financial statements do not include all of the notes required for full annual financial statements. The significant accounting policies for the periods are consistent with those disclosed in the audited annual financial statements of the Company for the year March 31, 2019. The accompanying unaudited interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended March 31, 20198.

(b) Use of Estimates and Judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

(c) Accounting Standards, amendments and interpretations adopted April 1, 2019

The following amendments to existing standards were issued by the IASB and are effective for annual periods beginning on or after April 1, 2019. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from below:

IFRS 16, Leases - IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The Company had one lease- for office premises – which was affected by adopting this standard.

A retrospective adoption is required for IFRS 16 which may be accomplished in one of two ways. Either the entity restates comparative information to each prior reporting period presented applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; or, by retrospectively by adjusting the cumulative effect to opening retained earnings.

The Company adopted IFRS 16 by restating comparative information for the year ended March 1, 2019. On the March 31, 2019 statement of financial position, plant and equipment increased by $35,017 from $280,961 to $315,978; lease liability was recognized - $28,627 short term and $7,426 long term; and, closing deficit was increased $1,036 from $40,624,429 to $40,625,465 For the three-month period ended June 30, 2019, the following operating accounts were restated: depreciation increased by $7,003, interest on lease payments of $905 was recognized; and, Office and administration services were reduced by $7,500. The net result was that the net loss for the three-month period increased $408 from $184,862 to $185,270. Comprehensive income reduced by the same amount from $184,089 to$183,681.

Expressed in Canadian dollars

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

3. EXPLORATION AND EVALUATION ASSETS

The following is summary of changes in exploration and evaluation assets from the three months ended June 30, 2019 and for the year ended March 31, 2019:

(a) For the Year Ended March 31, 2019:

	Balance April 1, 2018	Additions	Translation	Impairment	Balance March 31, 2019
Property	$ 19,049,289	$ -	$ 394,369	$ (13,443,658)	$ 6,000,000
Assaying	579,496	-	21,078	(600,574)	-
Geological consulting	2,484,500	167,747	5,858	(2,658,105)	-
Drilling	4,639,262	-	168,746	(4,808,008)	-
Exploration and sampling	392,475	-	14,276	(406,751)	-
Other	293,983	-	10,693	(304,676)	-
Total	$ 27,439,005	$ 167,747	$ 615,020	$ (22,221,772)	$ 6,000,000

(b) For the Three Months Ended June 30, 2019:

There were no changes for the three months ended June 30, 2019.

Atlanta Gold and Silver Mine Property

On March 1, 2011, the Company completed the purchase of all of the outstanding shares of Desert Hawk Resources Inc which in turn owned the Atlanta Gold Project located in Lincoln County Nevada, approximately 250 km northeast of Las Vegas. Desert Hawk Resources Inc completed the purchase of the Atlanta Mine for the total sum of $6,000,000US. The acquisition cost includes a 3% NSR capped at 4,000 ounces. The property consisted of 13 patented claims and 49 unpatented lode claims, referred to as the Atlanta, Blue Bird, Bobcat and various miscellaneous Group Claims

On June 30, 2011, the Company entered into an agreement to acquire 135 unpatented mining claims (the NBI Claim Group) contiguous with the Company's Atlanta property. A total of $250,000 US was paid plus issuance of 400,000 shares of common stock for this acquisition. The fair value of the shares at time of the purchase was $420,000. The agreement also includes a 3% NSR, for which the Company has the option to repurchase 1% for $1,000,000 US for a period of five years.

During the year ended March 31, 2012, the Company staked additional claims in the Atlanta district and currently possesses a total of 12 patented and 385 unpatented mineral claims in and around the Atlanta mine site for a total of approximately 12,000 acres. The Company's claims consist of the original 12 patented claims and the 49Atlanta Claims, 135 NBI Claim Group, 120 Lily Claim Group Claims, 4 Bluebird Claim Group, 5 NFL Claim Group, 19 PEG Claim Group, 13 SNO Claim Group, 27 C&B Claim Group, 3 Julie Claim Group and 10 Lauren Claim Group Claims.

Management reviewed the assets for impairment as at March 31, 2019 as outlined in the Company's accounting policy. It was estimated that the recoverable amount of the asset is less than the book value and, accordingly, an impairment charge of $22,221,772 was made to operations in order to adjust downward the carrying value of the asset to $6,000,000.

Expressed in Canadian dollars

4. PLANT AND EQUIPMENT

The change in plant and equipment for the three-month period ended June 30, 2019 and for year ended March 31, 2019 is as follows:

	Mine Buildings	Vehicles	Furniture and Fixtures	Water System	Right to Use asset	Total
Costs:						
Balance, April 1, 2019	$370,212	$ 47,249	$ 31,913	$143,718	$ 63,031	$ 656,123
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Translation	(7,646)	(976)	(659)	(2,968)	-	(12,249)
Balance, June 30, 2019	$362,566	$ 46,273	$ 31,254	$140,750	$ 63,031	$ 643,874
Depreciation						
Balance, April 1, 2019	$142,319	$ 47,249	$ 31,913	$ 90,651	$ 28,014	$ 340,146
Additions	4,532	-	-	3,519	7,003	15,054
Disposals	-	-	-	-	-	-
Translation	(2,939)	(976)	(659)	(1,873)	-	(6,447)
Balance, June 30, 2019	$143,912	$ 46,273	$ 31,254	$ 92,297	$ 35,017	$ 348,753

	Mine Buildings	Vehicles	Furniture and Fixtures	Water System	Right to Use asset	Total
Costs:						
Balance, April 1, 2018	$357,219	$ 45,590	$ 30,794	$138,674	$ -	$ 572,277
Additions	-	-	-	-	63,031	63,031
Translation	12,993	1,659	1,119	5,044	-	20,815
Balance, March 31, 2019	$370,212	$ 47,249	$ 31,913	$143,718	63,031	$ 656,123
Depreciation						
Balance, April 1, 2018	$119,463	$ 45,590	$ 30,794	$ 73,600	$ -	$ 269,447
Additions	18,396	-	-	14,283	28,014	60,693
Translation	4,460	1,659	1,119	2,767	-	10,005
Balance, March 31, 2019	$142,319	$ 47,249	$ 31,913	$ 90,651	$ 28,014	$ 340,145
Carrying amounts:						
June 30, 2019	$218,654	$ -	$ -	$ 48,453	$ 35,017	$ 295,121
March 31, 2019	$227,893	$ -	$ -	$ 53,067	$ 28,014	$ 315,978

Expressed in Canadian dollars

5. RIGHT TO USE ASSETS AND LIEASE LIABILITY

Effective April 1, 2018, the Company entered into a lease for its premises, expiring June 30, 2020. The monthly lease was $2,500. As revealed in Note 2(c), the Company is required to capitalize that lease, based on the net present value of the lease payments. Using a discount rate of 5.95%, $63,031 was recognized as a right to use asset for office premises and a similar amount was recognized as a lease liability. The asset was depreciated using the straight-line basis over the life of the lease.

Future lease payments are as follows:	June 30, 2019	March 31, 2019
Total payments due in next year	$ $0,000	$ 30,000
Thereafter	-	7,500
Total payments	30,000	37,500
Less interest portion	(945)	(1,447)
Total payments on principal	29,055	36,053
Current principal payments	29,055	28,627
Long term portion	$ -	$ 7,426

6. SHARE CAPITAL

(a) The authorized capital of the Company consists of:

Unlimited number of common shares without par value.

(b) The Company's issued and outstanding capital stock is as follows:

As at June 30, 2019 and 2018, there were 50,056,229 issued common shares.

The Company did not have any share transactions during the three months ended June 30, 2019 or the year ended March 31, 2019

(c) Stock Options

Upon approval of the Company's shareholders, the Company has adopted an incentive rolling stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan up to a maximum of 10% of the un-issued and outstanding shares of the Company at any time, less shares required to be reserved with respect to options granted by the Company prior to the implantation of the Plan. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the Exchange on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies.

There were no stock options granted during the three months ended June 30, 2019 or the year ended March 31, 2019

Expressed in Canadian dollars

A summary of the status of the Company's outstanding stock options as June 30, 2019 is as follows:

Options Outstanding	Number of Shares	Exercise Price	Expiry Date
143,750	143,750	$1.00	* July 15, 2019
306,250	306,250	$0.76	March 11, 2020
37,500	37,500	$0.80	August 17, 2020
700,000	700,000	$0.08	November 16, 2020
2,000,000	2,000,000	$0.20	December 7, 2020
550,000	550,000	$0.34	July 27, 2021
3,737,500	3,737,500		

* Expired unexercised.

The following is a summary of stock option issues and outstanding is as follows:

	Options Outstanding #	Weighted Average Price
Balance, exercisable and outstanding March 31, 2018	3,987,500	$ 0.31
Expired	(125,000)	$ 0.94
Balance, exercisable and outstanding March 31, 2019	3,862,500	$ 0.29
Expired	(125,000)	$ 0.42
Balance, exercisable and outstanding June 30, 2019	3,737,500	$ 0.28

The weighted average remaining life of the options as at June 30, 2019 is 1.41 years.

(d) Warrants

A summary of the status of the Company's outstanding warrants as at June 30, 2019 is as follows:

Warrants	Number of shares upon exercise	Exercise Price	Expiry Date
1,302,025	1,302,025	$ 0.24	March 7, 2021
1,036,492	1,036,492	$ 0.28	April 29, 2021
1,511,001	1,511,001	$ 0.28	July 25, 2021
1,100,254	1,100,254	$ 0.24	December 16, 2021
9,026,000	9,026,000	$ 0.10	November 10,2019
4,840,000	4,840,000	$ 0.10	November 16,2019
18,815,772	18,815,772	$ 0.14	

Expressed in Canadian dollars

The following is a summary of warrant transactions for the three-month period ended June 30, 2019 and for the year ended March 31, 2019:

	Warrants Outstanding #	Weighted Average Exercise Price
Balance, exercisable and outstanding March 31, 2018	19,107,525	$ 0.12
Expired	(291,753)	$1.00
Balance, exercisable and outstanding March 31, 2019 and June 30, 2019	18,815,772	$0.14

The weighted average remaining life of warrants as at June 30, 2019 is 0.8 years.

7. RELATED PARTY BALANCES AND TRANSACTIONS

The following table summarizes services provided by directors and officers of the Company not otherwise noted in the financial statements for the three-month periods ended June 30, 2019 and 2018.

For the three months ended June 30	2019	2018
Consulting fees paid or accrued to -	$	$
CEO/president	22,500	22,500
CFO	9,000	8,500

Balances due to related parties as at June 30, 2019 of $82,300 (March 31, 2019 - $50,350) represent amounts owing to officers and directors and companies owned by officers and directors. Balances due to related parties are non-interest bearing, are due on demand and bear no specific terms of repayment.

8. FINANCIAL INSTRUMENTS

(a) **Fair values**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and amounts payable to related parties. Cash is classified as loans and receivables and is carried at amortized costs. Accounts payable and accrued liabilities and amounts payable to related parties are classified as other financial liabilities and are carried at their amortized cost.

The carrying value of the Company's financial assets and liabilities approximates their fair value due to the relatively short periods to maturity of these investments. Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used estimate the fair values. The three levels of the fair value 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 that are not based on observable market data.

There have been no changes between levels during the three-month period ended June 30, 2019 or the year ended March 31, 2019.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash is exposed to credit risk. The Company has assessed the credit risk on its cash as low as its funds are held in highly rated Canadian financial institutions. As at June 30, 2019 and March 31, 2019 all cash was within the federally insured limit.

(c) 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 by maintaining adequate cash balances and by raising equity financing. The Company has no assurance that such financing will be available on favourable terms. The Company believes it is subject to liquidity risk through its working capital. In general, the Company attempts to avoid exposure to liquidity risk by obtaining corporate financing through the issuance of common shares. As at June 30, 2019, the Company had cash of $131 to settle accounts of $494,997 which fall due for payment within twelve months of the balance sheet date. All of the Company's contractual obligations are current and due within one year.

(d) Foreign exchange risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has material transactions designated in a foreign currency. However, the foreign currency has been very stable when compared to the Canadian dollar and therefore management considers the foreign exchange risk to be minimal.

At June 30, 2019, approximately $213,000 in accounts payable and accrued charges were denominated in U.S. dollars. A 10% variation in the U.S. dollar would result in an impact of approximately $21,300 on net income.

(e) 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 the market interest rates. The Company's cash is currently held in cash and therefore management considers the interest rate risk to be minimal.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, contributed surplus and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended March 31, 2018.

10. COMMITMENTS

(a) The Company has a lease on premises at a net rent of $2,500 per month. The lease expires on June 30, 2020.

(b) On June 28, 2019, the Company announced it has entered into an Amalgamation Agreement with Mountain Valley MD Inc. ("MVMD") and 2700915 Ontario Inc., a newly incorporated wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis (the "Proposed Transaction"). The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the Canadian Securities Exchange (the "CSE").

Mountain Valley MD Inc. is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world's leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a license to produce and sell high-quality strains of medical grade cannabis in British Columbia.

MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

11. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the properties purchased from Desert Hawk, which are in Nevada USA.

12. SUBSEQUENT EVENT

On July 12, 2019, pursuant to the proposed transaction, the Company announced that it has closed the first tranche of a bridge loan financing (the "Bridge Loan Financing"), raising gross proceeds of $350,000 by way of the sale of 350 convertible debenture units (the "Convertible Debenture Units") to MVMD. Each Convertible Debenture Unit consisted of one secured convertible debenture of the Company (a "Convertible Debenture") in the principal amount of $1,000 and 1,000 share purchase warrants of the Company (the "Convertible Debenture Warrants"). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a "Resulting Issuer Share") of the resulting issuer upon completion of the Proposed Transaction (the "Resulting Issuer") at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. Each Convertible Debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer ("Conversion Units") at a price of $0.05 per Conversion Unit ($0.40, post-Consolidation). Each Conversion Unit will consist of one Resulting Issuer Share and one share purchase warrant (a "Conversion Warrant"), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. The Company granted MVMD a right of first refusal to subscribe for up to an additional 150 Convertible Debenture Units for an aggregate purchase price of up to $150,000. Meadow Bay paid MVMD a 7% loan administration fee in cash in the amount of $24,500 in connection with the Bridge Loan Financing. All securities issued or issuable pursuant to the Bridge Loan Financing are subject to a hold period of four months and a day in accordance with applicable securities legislation, expiring on November 12, 2019. The proceeds of the Bridge Loan Financing will be used to pay Meadow Bay's professional fees and working capital expenditures.

SCHEDULE "D"

ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS OF MEADOW BAY GOLD CORPORATION FOR THE YEAR ENDED MARCH 31, 2019

[see attached]

MEADOW BAY GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2019

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts, constitute forward looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise such forward looking statements, as a result of new information, future events or otherwise.

MANAGEMENTS DISCUSSION AND ANALYSIS

July 29, 2019

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Meadow Bay Gold Corporation ("Meadow Bay") financial statements. The statements are provided for the purpose of reviewing the fourth quarter of fiscal 2019, as well as the 2019 fiscal year, and comparing results to the previous period. The MD&A should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the fiscal years ending March 31, 2019 and 2018.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

The management of Meadow Bay is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The board of directors of Meadow Bay follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The audit committee of Meadow Bay meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS

Meadow Bay was incorporated in British Columbia under the laws of the Business Corporations Act on March 8, 2005. The Company was listed for trading on the TSX Venture Exchange (TSX.V) as a Capital Pool Company on September 18, 2006. The Company currently trades on the Canadian Securities Exchange (CSE) under the symbol “MAY.CN”

On January 21, 2011, the Company entered into a Letter of Intent (“LOI”) to acquire all of the issued and outstanding common stock of Desert Hawk Resources Inc. (“Desert Hawk”), a private Delaware corporation. The Company also launched a private placement financing that closed March 1, 2011 with the sale of 11,313,750 common shares at $1.00US. The purchase of Desert Hawk was completed on March 1, 2011.

Desert Hawk Resources Inc., is a mining and exploration company with a gold project in Nevada called the Atlanta Gold and Silver Mine, a former producing gold and silver mine. The Atlanta Mine produced 1.5 million tons of ore containing 0.09 ounces gold/ton and 1.25 ounces silver/ton and recovered 121,000 ounces of gold and 800,000 ounces of silver during the period 1975 to 1985 based on historical records. A National Instrument 43-101 resource estimation was prepared by Gustavson LLC in March 2013 and subsequently filed on SEDAR. The Company also received an initial in-pit resource estimate prepared by Gustavson LLC. The in-pit resource incorporated additional drilling in 2015.

OVERALL PERFORMANCE

During the year ended March 31, 2019, the Company incurred a net loss of $22,846,007 (2018 - $961,815). After consideration for a favourable currency translation adjustment of $623,037, the Company posted a comprehensive loss of $22,222,970. In fiscal 2018, the translation adjustment was unfavourable at $549,708, creating a comprehensive loss for that year of $1,511,523.

SELECTED ANNUAL INFORMATION

	Year ended March 31, 2019 $	Year ended March 31, 2018 $	Year ended March 31, 2017 $
Total revenues	-	-	-
Net loss for the year	(22,846,007)	(961,815)	(795,361)
Net loss per share, basic and diluted	(0.03)	(0.04)	(0.04)
Total assets	6,348,559	28,293,889	28,443,012
Total working capital (deficit)	(333,377)	428,719)	(223,601)
Shareholder's equity	5,947,584	28,170,554	28,012,665

RESULTS OF OPERATIONS

For the year ended March 31, 2019 compared to the previous year ending March 31, 2018:

The major change in the two years is the one-time charge for impairment of $22,221,722 in 2019, which management determined was appropriate given the current plans for the property. Once this charge is eliminated, the results show little variation in cash expenses from one year to the next.

Total operating expenses for the current year amounted to $624,235 compared to $962,704 for the year ended March 31, 2018, representing a 35% decrease in expenses. Eliminating non-cash items of depreciation ($32,679 in 2019 and $39,700 in 2018) and share-based compensation of $336,447 in 2018 the results for total cash operating expenses are $591,556 in 2019 and $586,557 in 2018. This represents an increase of less than 1% in cash expenses. Capitalized exploration costs amounted to $167,747 in 2019 compared to $97,224 in 2018.

Accounts involving cash expenditures which showed the most changes were General consulting, Claim maintenance, Office and administration, Trade shows and investor relations and Travel. The increase in Consulting fees of $56,500 reflects management's decision to receive full fees as per management contracts. In 2018, management voluntarily took less in order to preserve cash. Similarly, office and administration costs in 2019 are reflective of the more usual expenditures, with 2018 being an anomaly whereby certain costs were deferred until 2019. In fiscal 2019, management decided let some claims lapse as they no longer felt those claims would produce an economic recovery. The decrease in Trade shows and investor relations of $32,793 and Travel of $28,646 reflect the cost of raising funds in 2019 whereas there were no fund-raising activities in 2019. In both years, expenditures were watched very closely.

SUMMARY OF QUARTERLY RESULTS:

The following are the results for the last 8 quarters.

	March 31 2019 $	**Dec 31 2018** $	**Sept 30 2018** $	**June 30 2018** $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(22,379,853)	(91,734)	(189,558)	(184,862)
Net income (loss)	(22,379,853)	(91,734)	(189,558)	(184,862)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.45)	(0.00)	(0.00)	(0.00)
Net income (loss) per share	(0.45)	(0.00)	(0.00)	(0.00)

	March 31 2018 $	Dec 31 2017 $	Sept 30 2017 $	June 30 2017 $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(184,922)	(453,065)	(228,297)	(95,531)
Net income (loss)	(184,922)	(453,065)	(228,297)	(95,531)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.01)	(0.01)	(0.00)
Net income (loss) per share	(0.00)	(0.01)	(0.01)	(0.00)

A comparison of the three-month period ended March 31, 2019 with the three-month period ended March 31, 2018:

For the three months ended March 31, 2019, the Company incurred a net loss of $22,379,853 compared to a net loss of $184,922 incurred in the three months ended March 31, 2018. Once the one-time charge for impairment is eliminated, the loss for the three-month period ended March 31, 2019 was $158,081. The results in 2018 were skewered by a one-time adjustment for share-based compensation of $22,838. Eliminating that credit, increases the 2018 expenses to $207,760. The net difference for comparative purposes between 2019 and 2018 is now $52,780, and of that amount, the change in three categories accounts for $41,989 of the change. Those three accounts are Professional fees ($14,287 difference), Trade shows and investor relations ($14,268 difference) and Travel ($13,434 difference). The larger expenditures in these areas 2018 reflect the increase activities arising from fund raising in that period, while no fund raising took place in 2019. Other accounts were virtually unchanged from period to the next.

EXPLORATION PROGRAM

During the 2018-2019 fiscal period, the Company worked with Gustavson to produce an updated in-pit resource estimate. This in-pit resource is part of the larger global resource at the Atlanta Project with the bulk of the resource along the intersection of the Atlanta fault. It also includes much of the Atlanta Porphyry, which is in the hanging-wall of the Atlanta Fault. In 2018–2019, most of the expenses were incurred in geological consulting reviewing those results and determining the best approach to develop the property moving forward.

The Company objective is to initiate work to obtain a Preliminary Economic Assessment (PEA) of the Atlanta Porphyry to determine if it can be put into production at current gold prices. This will include metallurgy on Porphyry, mine modelling, and completion of the PEA Report by Gustavson, which should be available early in 2020.

POTENTIAL NEW AREA OF FOCUS

On June 28, 2019, the Company announced it has entered into an Amalgamation Agreement with Mountain Valley MD Inc. ("MVMD") and 2700915 Ontario Inc. a newly incorporated wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis (the "Proposed Transaction"). The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the Canadian Securities Exchange (the "CSE").

Mountain Valley MD Inc. is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world's leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a licence to produce and sell high-quality strains of medical grade cannabis in British Columbia.

MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had a cash and cash equivalents of $39,617 compared to $508,434 as at March 31, 2018. The Company had a working capital deficit of $333,377 as at March 31, 2019 compared to working capital of $428,719 as at March 31, 2018.

There were no share transactions that occurred during the year ending March 1, 2019. However, subsequent to the year end on July 12, 2019, the Company completed the first tranche of a bridge loan financing (the "Bridge Loan Financing"), raising gross proceeds of $350,000 by way of the sale of 350 convertible debenture units (the "Convertible Debenture Units") to MVMD. Each Convertible Debenture Unit consisted of one secured convertible debenture of the Company (a "Convertible Debenture") in the principal amount of $1,000 and 1,000 share purchase warrants of the Company (the "Convertible Debenture Warrants"). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a "Resulting Issuer Share") of the resulting issuer upon completion of the Proposed Transaction (the "Resulting Issuer") at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. Each Convertible Debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer ("Conversion Units") at a price of $0.05 per Conversion Unit ($0.40, post-Consolidation). Each Conversion Unit will consist of one Resulting Issuer Share and one share purchase warrant (a "Conversion Warrant"), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. The Company granted MVMD a right of first refusal to subscribe for up to an additional 150 Convertible Debenture Units for an aggregate purchase price of up to $150,000. Meadow Bay paid MVMD a 7% loan administration fee in cash in the amount of $24,500 in connection with the Bridge Loan Financing. All securities issued or issuable pursuant to the Bridge Loan Financing are subject to a hold period of four months and a day in accordance with applicable securities legislation, expiring on November 12, 2019. The proceeds of the Bridge Loan Financing will be used to pay Meadow Bay's professional fees and working capital expenditures.

During the year ending March 31, 2018, the Company completed the following share transactions:

a) On November 10, 2017, the Company completed the first tranche of a non-brokered private placement by issuing 16,330,000 units at $0.05 each for gross proceeds of $816,500. Each unit comprised one share and one-half share warrant, with each whole warrant entitling the holder to purchase one additional share for a period of 2 years from the date of closing at a price of $0.10 per share. The Company paid finders' fees of $43,050 cash and issued 861,000 broker's warrants, with each finder's warrant entitling the holder to purchase one common share of the Company under the same conditions as the warrants issued with the unit. The warrants were valued at $34,528 using a Black Scholes option pricing model, as the value of the services performed was not readily verifiable. The assumptions used for in the model were as follows: risk free interest rate – 1.44%, expected life – 2 years, dividend nil and annualized volatility – 105.85%.

b) On November 16, 2017, the Company completed the second and final tranche of a non-brokered private placement by issuing 9,680,000 units at $0.05 each for gross proceeds of $484,000. Each unit comprised one share and one-half share warrant, with each whole warrant entitling the holder to purchase one additional share for a period of 2 years from the date of closing at a price of $0.10 per share.

c) On December 8, 2017, the Company completed a share for services and debt transaction, issuing 475,000 shares at $0.20.

d) On February 1, 2018, a warrant holder exercised the right to purchase 18,750 common shares at $0.28 for gross proceeds of $5,250.

The Company has no debt other than current liabilities of $412,102 at March 31, 2019 ($123,335 as at March 31, 2018). With the closing of bridge loan financing, management believes that the Company has sufficient capital resources to meet its initial capital requirements for the current year.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control. The annual and interim financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally-imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the year ended March 31, 2019;

a) Consulting fees paid or accrued to the current President/CEO of the Company of $90,000 vs. $30,000 for the year ended March 31, 2018;

b) Consulting fees paid or accrued to the CFO of $36,000 vs. $22,500 for the previous year;

c) Consulting fees paid or accrued to the former CEO of $Nil vs. $15,000 for the previous year; and,

e) Share-based payments made to key management of $Nil vs. $250,407 for the year ended March 31, 2018.

The Company owed the following amounts to related parties as at the year end of:

	March 31, 2019	March 31, 2018
Robert Dinning, CEO	$ 34,600	$ 2,075
Keith Margetson, CFO	$ 15,750	$ 2,650

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to determination of stock-based compensation, impairment of assets, and future income taxes. Actual results could differ from these estimates.

FUTURE ACCOUNTING CHANGES

The Company adopts new pronouncements relating to generally accepted accounting principles applicable to the Company as they are issued, which may be in advance of their effective date.

Management does not believe that any recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the accompanying financial statements.

FINANCIAL INSTRUMENTS

The Company classified its cash and cash equivalents as financial asset at amortized cost. Accounts payable and accrued liabilities and amounts payable to related parties are classified as other financial liabilities, which are measured at amortized cost. The carrying values of the Company's financial assets and liabilities approximate their fair value due to the relatively short periods to maturity of these investments.

The Company's financial instruments and risk exposures are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash and cash equivalents is minimal as they are held with a high-credit quality financial institution. As at March 31, 2019, no amount of cash and cash equivalents were over the federally insured limit.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had current assets of $83,725 to settle current liabilities of $412,102. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

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

(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 the market interest rates. The interest rate risks on cash and cash equivalents are not considered significant.

(b) Foreign exchange rate risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has material transactions designated in a foreign currency. However, the foreign currency has been fairly stable when compared to the Canadian dollar and therefore management considers the foreign exchange risk to be minimal.

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	50,056,229
Stock options	3,593,750
Warrants	18,815,722
	72,465,701

RISK AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural mineral properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral property, which is at very early stages of exploration, the following risk factors, amongst others, apply:

Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow. The Company has incurred losses since its inception. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the Properties and administrative costs. The Company cannot predict when it will reach positive operating cash flow.

Mining Industry

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

Equity Market Risk

The Company raises money in the equity markets which can fluctuate significantly. If the appetite for equity financing is curtailed it may be difficult or impossible to raise additional equity. This could have a negative effect on the Company and its ability to operate. These factors are beyond the control of management.

Reliance on Management

The Company relies on its management to execute its business plan. If members of the management team should become unavailable for any reason the Company could experience difficulties in executing its plans.

Title

There is no guarantee that title to properties in which Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Before a number of claims under option can be recorded in Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

EFFECTIVENESS OF DISCLOSURE CONTROLS

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company's disclosure controls as of March 31, 2018. They have concluded that the Company's disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com. Additional financial information concerning the Company is provided in its audited comparative financial statements and management's discussion and analysis for the Company's most recently completed financial year. Copies of this information are available by contacting the Company at its offices located at Suite 210 - 905 West Pender Street, Vancouver, BC, V6C 1L6; phone 604-641-4450 or 604-682-2928; fax 1-855-557-4622 or 604-685-6905.

SCHEDULE "E"

**ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS
OF MOUNTAIN VALLEY MD INC. FOR THE YEAR ENDED MARCH 31, 2019**

[see attached]

MOUNTAIN VALLEY MD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE PERIOD FROM

INCORPORATION ON OCTOBER 26, 2018

TO

MARCH 31, 2019

Notice to Reader

The following is management's discussion and analysis in respect of the results of the consolidated operations and financial position of MOUNTAIN VALLEY MD INC. (the "Company" or "MVMD") for the period from incorporation on October 26, 2018 to March 31, 2019 and should be read in conjunction with the Company's audited consolidated financial statements for the same period. The financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS"), and presented in Canadian dollars, which is the Company's functional currency. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward Looking Statements

The information presented in this Management's Discussion and Analysis ("MD&A") contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") for purposes of applicable securities laws.

These forward-looking statements also include, but are not limited to, factors that may affect our ability to achieve our objectives. Such forward–looking statements, including but not limited to those with respect to the Company's future operating and financial results, the Company's competitive and business strategies, the sufficiency of the Company's working capital and its ability to raise future capital, the further development of the Company's business with respect to the acquisition of licences and other assets, competitive conditions of the cannabis industry, changes in the regulatory environment relating to medical and recreational cannabis within Canada and internationally, expansion into international markets and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward– looking statements.

The reader should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

Date of Report

The information in this report is presented as of August 20, 2019.

CORPORATE INFORMATION

Mountain Valley MD Inc. ("MVMD" or the "Company"), was incorporated under the laws of the province of Ontario on October 26, 2018. MVMD is a private corporation operating or intending to operate in the global cannabis industry in the areas of cultivation, research and development, production, manufacturing and marketing through strategic acquisitions and partnerships for the purposes of generating a market-leading global portfolio of high quality, vertically integrated, sustainable cannabis assets.

As at the date of this Management's Discussion and Analysis ("MD&A"), MVMD has two wholly owned subsidiaries, Mountain Valley Medicinals Inc. ("MVM"), a company incorporated under the laws of the province of British Columbia on March 7, 2018, and MVMD (Colombia) Inc. ("MVMDC"), a corporation incorporated under the laws of the province of Ontario on April 11, 2019. MVM has a wholly owned subsidiary, 0987182 B.C. Ltd. ("098") (formerly Pura Vida Medical Marihuana Incorporation), a company formed under the laws of the Province of British Columbia.

The address of the Company's corporate office and principal place of business is 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

BUSINESS OVERVIEW

MVMD holds innovative investments in the global cannabis sector focused on developing and optimizing the world's leading medicinal cannabis ecosystem. MVMD'S focus is on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market-leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

The Company does not yet have revenues but, since incorporation, MVMD has been making acquisitions, forming agreements and generally taking steps to develop its business with a global view on four main growth pillars: 1) cultivation; 2) processing sciences; 3) delivery sciences; and 4) distribution. MVMD intends to continue its business development efforts across these 4 main growth pillars, focusing initially primarily on Colombia and Canada.

<u>Acquisitions</u>:

On January 10, 2019, MVMD completed its first acquisition. MVMD acquired 100% of MVM's issued and outstanding shares by way of share exchange, entering into a share exchange agreement (the "SEA") with MVM and its shareholders. MVMD issued 54,206,148 Class "B" common shares to the shareholders of MVM on a 1:1 basis. At the time the terms of the SEA were negotiated, an officer and director of MVM was also a director and officer of MVMD.

MVM was formed for the purpose of acquiring 098. 098 was formed for the purpose of making an application to Health Canada to produce and sell high-quality strains of medical grade cannabis. The application was made on or about June 27, 2014 and remained under review during the time of the acquisition by MVMD of MVM.

See section entitled "Discussion of Operations" for additional detail about the current status of the 098's application.

On January 2, 2019, MVMD entered into a binding letter of intent with Avicanna Inc. ("Avicanna"). Pursuant to the letter of intent, MVMD had agreed to: (i) subscribe for newly issued shares of Sativa Nativa, a corporation formed under the laws of Colombia, of which Avicanna is the majority shareholder, equal to 10% of the then total issued and outstanding shares of Sativa Nativa, for $2,800,000 in cash; and (ii) MVMD would acquire an additional 15% of the then total issued and outstanding shares of Sativa Nativa from shareholders of Avicanna for $2,000,000 in cash and $2,200,000 worth of MVMD Class B common shares.

See the section entitled "Subsequent Events" for details regarding the completion of the foregoing transaction.

On December 20, 2018, MVMD issued a loan equal to USD $600,000 (the "CCJC Loan") to CCJC Inc. ("CCJC"), a private Nevada corporation, and, on the same date, entered into a term sheet with CCJC (the "CCJC Term Sheet"), the intention of the parties being that the CCJC Loan be converted into equity in CCJC pursuant to the CCJC Term Sheet. CCJC is the majority shareholder (90%) of a US private corporation (the "Applicant") who has made an application (the "DEA Application") with the U.S. Drug Enforcement Administration ("DEA") to become registered under the Controlled Substances Act (United States) to manufacture marijuana to supply to researchers in the United States (the "DEA Licence"). Pursuant to the terms of the CCJC Term Sheet, MVMD would acquire newly issued shares from CCJC representing 10% of the issued and outstanding shares of CCJC (following issuance) in consideration for USD $600,000, to be paid by way of conversion of the CCJC Loan. MVMD would acquire an additional 10% from the existing shareholders of CCJC by way of share purchase, in consideration for the issuance of 5,000,000 Class "B" common shares. Further, MVMD would acquire the right to purchase an additional 40% of the issued and outstanding shares for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 Class "B" common shares.

See the section entitled "Subsequent Events" for details regarding the completion of the foregoing transaction as well as for additional proposed transactions.

Reverse Takeover/Amalgamation:

See the section entitled "Subsequent Events" for the details regarding the Amalgamation Agreement dated June 28, 2019, entered into by MVMD with Meadow Bay Gold Corporation ("MBGC"), which, if completed, would result in the Company becoming a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

Financings:

See the section entitled "Liquidity and Capital Resources" for the details regarding financings completed by the Company during the period from incorporation on October 26, 2018 to March 31, 2019, to facilitate the Company's business development initiatives.

SELECTED ANNUAL INFORMATION

The following is the selected annual information for the Company for the period from incorporation on October 26, 2018 to March 31, 2019.

Year	Total Sales(1) ($)	Profit (Loss) continuing operations in Total (2) ($)	Profit (Loss) continuing operations Undiluted(3) ($)	Profit (Loss) in Total(4) ($)	Profit (Loss) Undiluted(5) ($)	Profit (Loss) Diluted(6) ($)	Total Assets ($)	Total Non-Current Financial Liabilities ($)(7)	Dividends Per Share(8) ($)
2019	Nil	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	11,488,283	Nil	Nil

1) Total sales from continuing operations.
2) Profit (Loss) from continuing operations attributable to owners of the parent on a per-share, undiluted basis.
3) Profit (Loss) from continuing operations attributable to owners of the parent on a per-share, diluted basis.
4) Profit (Loss) attributable to owners of the parent, in total.
5) Profit (Loss) attributable to owners of the parent on a per-share, undiluted basis.
6) Profit (Loss) attributable to owners of the parent on a per-share, diluted basis.
7) Bank loans and obligations.
8) Distributions or cash dividends declared per-share for each class of share.

DISCUSSION OF OPERATIONS

As the Company has not yet generated revenue, below is a summary of MVMD's plan for its current projects, the status of each relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the projects to the next stage(s).

During the period from incorporation on October 26, 2018 to March 31, 2019, the Company has primarily focused its efforts on making certain acquisitions in anticipation of future operations and business development efforts in Canada and Colombia, as well as the United States. Of the four growth pillars MVMD has identified (see the section entitled "Business Overview"), the initial focus has been on "cultivation". Most of the expenditures related to these acquisitions occurred following March 31, 2019 (see the section entitled "Subsequent Events").

The Company expects that its related expenditures will grow in the second half of its year ended March 31, 2020 (and into the following year). The terms of the completed and proposed acquisitions to date have largely included share-based consideration but, in addition to cash-based consideration, the Company will begin incurring additional expenses when construction begins in both Canada and Colombia (see below).

Canada/MVM/098:

On January 10, 2019, the Company entered into a share exchange agreement (the "SEA") with MVM and its shareholders to purchase all of the issued and outstanding common shares of MVM from the MVM shareholders in exchange for 54,206,148 Class B common shares of MVMD, which has been valued at $1,496,564.

In May 2019, Health Canada had announced that all new applicants applying for a Cultivation, Processing or Sale for Medical Purposes Licence would be required have a fully built site that meets Health Canada requirements at the time of application. Existing applicants, such as 098, have been required to transfer of all existing and new elements of its application, including design plans for the Facility (as defined below) to the new Cannabis Tracking and Licensing System ("CTLS"), established and maintained by Health Canada in part to facilitate new applications for cannabis licence(s). Once this transfer to CTLS of existing and new application elements is complete and the Facility built, a Health Canada reviewer will be able to complete the review of 098's application, which is anticipated to occur shortly thereafter.

098 owns property located at: PID: 001-979-710 Lot 26, District Lot 81, Newcastle District, Plan 1967 (the "MVM Property"). The MVM Property is a 33-acre property on Agricultural Land Reserve, situated in what is sometimes referred to as the "banana belt", believed to be an area with optimal conditions for the growth of quality cannabis. MVM is in the planning and development stages of up to a 10,000 square foot indoor facility on the MVM Property (the "Facility") and receiving quotes to complete the building of the Facility by early 2020. Management has been advised that the MVM Property has a high capacity on-site water supply, [expansion potential for up to 800,000 square feet of cultivation], and sufficient electrical power supply for intended operations. MVM had initially planned for the construction of a greenhouse but has been advised by its consultant(s) that the conditions in an indoor facility allow for more control and superior cannabis.

Management is currently reviewing and planning for the building of the Facility on the MVM Property and anticipates to commence and complete construction by approximately March 2020, and thereafter be in a position to complete and receive approval of its application with Health Canada.

Colombia:

During the period from incorporation on October 26, 2018 to March 31, 2019, MVMD entered into a binding letter of intent with Avicanna Inc. ("Avicanna") for the acquisition of a 25% equity interest in Sativa Nativa (the "SN Interest"), a licensed cannabis producer in Colombia focused on large scale production of indoor and outdoor greenhouse (and shadehouse) cannabis flower and the subsequent production and extraction of cannabis extracts for domestic and international distribution. See sections entitled "Business Overview" for additional detail.

Following March 31, 2019, MVMD completed its acquisition of the SN Interest and also entered into a letter of intent (the "Colverde LOI") with Colverde MD S.A.S. ("Colverde") and its shareholders with respect to the proposed acquisition of all of the issued and outstanding shares of Colverde (see the section entitled "Subsequent Events" for details regarding the completion of the acquisition of the SN Interest and the Colverde LOI and associated expenditures). It's anticipated that the acquisition of Colverde as a wholly owned subisidary will be completed by approximately October 2019. Colverde holds a licence for the cultivation of psychoactive cannabis plants issued by the Ministry of Justice and Law and a licence for the manufacture of cannabis derivatives issued by the Ministry of Health and Social Protection. In addition, Colverde has made application to the Ministry of Justice and Law for a licence for the cultivation of non-psychoactive cannabis plants and for registration with the Colombia Agricultural Institute as a producer of certified seed. While Colverde also holds a lease for land, pursuant to the laws of Colombia, the licences are not restricted to a single property, which would allow MVMD to acquire leases or ownership of properties throughout Colombia (subject to non-competition restrictions imposed by Sativa Nativa) and utilize the licences broadly as part of achieving its core cultivation business objectives.

The Company is working on acquiring additional assets (such as the Smartek Assets – see the section entitled "Subsequent Events") and forming new relationships and partnership/arrangements in addition to its plans to begin construction of its own facilities in Colombia, to support the foregoing growth in Colombia in the area of cultivation as well as the other three (3) growth pillars (see the section entitled "Business Overview").

United States:

On December 20, 2018, MVMD issued a loan equal to USD $600,000 (the "CCJC Loan") to CCJC Inc. ("CCJC"), a private Nevada corporation, and, on the same date, entered into a term sheet with CCJC (the "CCJC Term Sheet"), the intention of the parties being that the CCJC Loan be converted into equity in CCJC pursuant to the CCJC Term Sheet (see the section entitled "Business Overview" for details).

Following March 31, 2019, MVMD completed the acquisition of 20% of the equity of CCJC (the "CCJC Interest"). MVMD and the shareholders of CCJC are in the process of determining the terms and conditions upon which MVMD will be entitled to exercise its option to acquire an additional 40% (for an aggregate 60%) of the issued and outstanding shares of CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 Class "B" common shares. No other expenses are anticipated at this time and there is no expected timeline, or guarantee, with respect to the approval and granting of the DEA Licence.

QUARTERLY FINANCIAL INFORMATION - Consolidated

As the Company has completed only one full quarter, the following is a summary of the period from incorporation on October 26, 2018 to March 31, 2019, which been derived from the financial statements of the Company. This summary should be read in conjunction with the audited consolidated financial statements of the Company for the same period.

Quarter Ended(1)	**Total Sales ($)**	**Income (Loss) before Other Expenses Expenses (income) ($)**	**Net Loss for the Period ($)**	**Net Income (Loss) per Share - Basic and Diluted ($)**
March 31, 2019	Nil	(897,032)	(897,032	(0.01)

1) Period from incorporation on October 26, 2018 to March 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had cash of $9,086,662 and working capital of $9,563,946.

Totals assets on March 31, 2019 were $11,488,283.

To support its business development initiatives to date, including the completed acquisitions (see section entitled "Subsequent Events"), MVMD has completed the following financings:

On December 7, 2018, MVMD issued 45,000,000 Class "A" Common Shares as a private issuer at a price of $0.005 per share, for aggregate gross proceeds of $225,000.

On December 21, 2018, MVMD completed a private placement offering of Class "A" Common Shares as a private issuer at a price of $0.02 per share, for aggregate gross proceeds of $512,500 by the issuance of 25,625,000 Class "A" Common Shares.

On January 9, 2019, MVMD completed a private placement offering of Class "B" (non-voting) Common Shares as a private issuer at a price of $0.05 per share, for aggregate gross proceeds of $613,000 by the issuance of 12,260,000 Class "B" Common Shares.

On January 15, 2019, MVMD began to offer (the "January Offering') units of MVMD (for the purposes of this paragraph, the "Units") on a private placement basis at a subscription price of $0.20 per Unit. Each Unit was comprised of one Class "B" (non-voting) common share and one share purchase warrant (for the purposes of this paragraph, each a "Warrant", collectively the "Warrants") to acquire one Class "B" common share at an exercise price of $0.35 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "Warrant Expiry Date"), subject to forced acceleration of the Warrant Expiry Date in the event that MVMD completes a going public transaction (such as the Proposed Transaction) (the "Going Public Liquidity Event") and thereafter the common shares of the reporting issuer trade at $0.50 or higher for at least three (3) consecutive trading days, whereby MVMD (or the Resulting Issuer following the completion of the Proposed Transaction) may, at its option, accelerate the Warrant Expiry Date by giving notice to the holder thereof and in such case the Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event (such as the Proposed Transaction), the holders of the Units will not be able to trade the Class "B" Common Shares (or Warrants or underlying Class "B" Common Shares comprising the Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. MVMD relied on exemptions from prospectus requirements under National Instrument 45-106 ("NI 45-106"), including execution 2.9 (the offering memorandum exemption).

The first three (3) tranches of the January Offering closed on February 21, March 8, and March 18th, for gross proceeds of $9,120,332 by the issuance of 45,601,659 Units. See the section entitled "Subsequent Events" for information on the fourth and final tranche closing of the January Offering.

The Company has commenced another private placement financing pursuant to the terms of the Amalgamation Agreement dated June 28, 2019 entered into with MBGC (see the section entitled "Subsequent Events"). Management believes that it will have sufficient capital to complete its business objectives for the next 12 months.

Where possible and reasonable to date, the Company has opted to pay for services and assets by the issuance of securities, in whole or in part, in an effort to conserve cash required for development and operations.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the board of directors, executive officers, key operational management personnel, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. MVMD's key operational management personnel are comprised of the President and CEO of MVMD and the President of MVM.

Total compensation earned by key management personnel for the period from incorporation on October 26, 2018 and March 31, 2019 was comprised of $5,650 in accounting fees paid to a company controlled by the financial controller of the Company and $157,520 in consulting fees paid to a company controlled by the president of MVM.

On August 13, 2018, MVM entered into a consultant agreement with a company controlled by an insider of the company for consulting services. Pursuant to the agreement:

- consulting services include providing onsite general assistance and advice on all aspects needed by the company for all construction related matters of its ACMPR cannabis business and providing assistance in related matters on as-required basis;
- the consultant will receive compensation of $4,850 per month inclusive of applicable taxes; and
- the agreement will continue on a month-by-month basis unless otherwise cancelled upon five days' notice by either party or the parties agree to enter into an employment agreement.

On December 28, 2018, MVMD entered into a consulting agreement for CFO services with a company controlled by a shareholder of CCJC (see the section entitled "Business Overview") for his consulting services. The CCJC Loan and the CCJC Term Sheet had preceded the consulting agreement, however the transaction contemplated by the CCJC Term Sheet was completed during the term of the consulting agreement (June 10, 2019). Pursuant to the terms of the consulting agreement:

- the consultant will act in the capacity of CFO to provide financial, management and administration services on an as-required basis;

- the consultant will receive the following compensation: a) in and for any part of the period from December 28th and concluding on the earlier of: (i) December 27, 2019 and (ii) the date upon which MVMD's shares begin trading on a recognized stock exchange in Canada (the "initial term"), MVMD will pay the consultant by way of grant of 1,000,000 stock options (issued in January 2019) exercisable for a period of five years at $0.05 and which vest 100% upon the last day of the initial term (see note 11); and b) thereafter, in and for any part of each contract year in which services are provided, the number of options approved by the board of directors of MVMD or payment in any other form and manner as agreed between the consultant and MVMD; and
- the agreement will continue until either party gives 30 days written notice of termination.

FOURTH QUARTER EVENTS

As the Company has completed only one full quarter, the information in this MD&A, derived from the financial statements of the Company, has focused on the entire period from incorporation on October 26, 2018 to March 31, 2019.

PROPOSED TRANSACTIONS

See the section entitled "Subsequent Events" for details regarding 2 letters of intent (the Smartek LOI and the Colverde LOI). The compensation for the Smartek Assets would be comprised of $1,000,000 cash-based consideration, together with 25,000,000 common shares and 10,000,000 share purchase warrants. The consideration for the Colverde acquisition, other than a cash-based deposit of CAD $130,000 that was paid on July 16, 2019, would likely be comprised of 1,950,000 common shares and, subject to certain terms, no addition cash-based consideration.

In addition, pursuant to the acquisition of the CCJC Interest (see the sections entitled "Business Overview" and "Subsequent Events"), MVMD has a right to acquire an additional 40% equity interest in CCJC on terms to be negotiated between MVMD and the other shareholders of CCJC, which would require, in addition to the issuance of 8,000,000 common shares, the payment of USD $2,000,000.

Management's intent is that the largely share-based consideration will allow for cash to be utilized for the Company's own construction, cultivation and other upcoming operational costs.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Refer to Note 3 in the consolidated annual audited financial statements of the Company for information on accounting policies.

FINANCIAL INSTRUMENTS

For a detailed description of financial instruments and their associated risks, see note 3 to the Company's consolidated annual audited financial statements for the period from incorporation on October 26, 2018 to March 31, 2019.

OUTSTANDING SHARE DATA

As at the date of the MD&A, the following securities were outstanding:

Class "A" common shares: 70,625,200
Class "B" Common shares 133,293,307

Warrants: 49,904,159 (see the section entitled "Liquidity and Capital Resources" for exercise details)

Stock options: 8,288,500, exercisable at $0.05 for a period of 5 years from the date upon which the Company completes a going public transactions.

SUBSEQUENT EVENTS

On April 11, 2019, MVMD completed the transaction contemplated in the letter of intent with Avicanna (see the section entitled "Business Overview"). MVMD entered into a Subscription and Share Purchase Agreement with Sativa Nativa, Avicanna and certain shareholders of Sativa Nativa, resulting in the acquisition MVMDC of an aggregate Twenty-Five Percent (25%) of the issued and outstanding shares of Sativa Nativa. MVMD acquired 7,892,248 common shares of Sativa Nativa, representing 10% of the issued and outstanding shares of Sativa Nativa (following issuance), for a subscription price of CAD $2,800,000, and another 26,838,372 common shares of Sativa Nativa from its shareholders other than Avicanna, representing 15% of the issued and outstanding shares of SN, for a purchase price of CAD $4,200,000 by way of a monetary payment of CAD $2,000,000 and the issuance of 11,000,000 Class "B" (non-voting) common shares at a deemed price of $0.20 per share.

MVMDC became a party to a Shareholder Agreement of the shareholders of Sativa Nativa upon completion of the acquisition, which sets out the terms upon which Sativa Nativa operates, including control held by Avicanna as its majority shareholder. MVMDC is entitled to have a board of member on Sativa Nativa's board of directors and to receive regular updates as well as financial statements. MVMD is also restricted from competing in the cannabis industry with Sativa Nativa within the Republic of Colombia, however this is limited to the four (4) northern departments of Atlantico, Magdalena, Cesar, and La Guarjira.

MVMD holds a right of first refusal to enter into a supply agreement for the export of product to Australia and the United States of America. Further, Sativa Nativa holds a right of first refusal to enter into an agreement with MVMD for the export of its product, excluding to Canada or any territory to which Sativa Nativa is prevented by any applicable laws to export the Product, to third parties that are seeking to import product from the Republic of Colombia with the same characteristics as Sativa Nativa's product.

On May 9, 2019, MVMD acquired 700,000 ordinary shares in the capital stock of Winchester MD Limited ("Winchester"), a private company with its registered office in London, England, representing, as at July 2, 2019, approximately 2.6% of the ordinary shares of Winchester. Winchester is an established, fully-integrated European based medical cannabis company that operates an online store called HempElf and offers over 100 products for sale. On May 13, 2019, the Company paid $184,958 pursuant to the subscription letter with Winchester.

On June 5, 2019, the Company issued 4,302,500 Class B common shares at $0.20 per share for gross proceeds of $860,500 and 4,302,500 Class B common share purchase warrants. The warrants are exercisable at $0.35 per Class B common share and expire two years from the grant date. $10,000 of this amount was included in subscriptions received as at March 31, 2019.

On June 10, 2019, MVMD entered into a subscription agreement with CCJC to acquire 1,333,333 common shares of CCJC, representing 10% of the issued and outstanding shares of CCJC (following issuance), for an aggregate subscription price of USD $600,000 by way of conversion of the CCJC Loan. MVMD also entered into share purchase agreements (the "Share Purchase Agreements") with the shareholders of CCJC to acquire an additional 1,333,334 common shares of CCJC, representing an additional 10% of the issued and outstanding shares of CCJC, by the issuance of an aggregate 5,000,000 Class "B" common shares. Pursuant to the terms of the Share Purchase Agreements, MVMD acquired the right to purchase an additional 40% of the issued and outstanding shares in CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 Class "B" common shares on and subject to terms to be agreed by MVMD and the other shareholders of CCJC.

On June 10, 2019, MVMD entered into a consulting agreement for president and CEO services with a company controlled by the consultant for his consulting services. Pursuant to the agreement:

- the consultant will act in the capacity of president and CEO to provide those services ordinarily required by a private corporation which intends to become a reporting issuer and publicly traded corporation;
- the consultant will receive the following compensation: (i) in and for any part of the period from June 10th and concluding on August 30, 2019 (the "initial term"), MVMD will pay the consultant an aggregate of 775,000 Class B Common shares of MVMD at a valued price of $0.20 per share in lieu of cash compensation in an effort to conserve cash; and (ii) thereafter, in and for any part of each contract year in which the services are provided, such compensation as approved by the board of directors and as agreed between the consultant and MVMD; and
- the agreement will continue until either party gives the other 60 days written notice of termination.

This agreement supersedes the marketing and business development consulting agreement with the consultant entered into on February 1, 2019.

On June 28, 2019, MVMD entered into an amalgamation agreement with Meadow Bay Gold Corporation ("MBGC"), a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and a wholly-owned Ontario subsidiary of MBGC ("Subco") to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" between MBGC, MVMD and Subco to form a new corporation ("Amalco") in accordance with the provisions of the Business Corporations Act (Ontario) (the "OBCA"). Pursuant to the amalgamation agreement:

- MBGC will consolidate its issued and outstanding common shares on a 8 pre-consolidation common shares for 1 post-consolidation share basis;
- MVMD will subscribe for 350 MBGC convertible debenture units (subscribed for on July 11th and $350,000 paid) upon MBGC's satisfaction of the MBGC financing conditions (being a detailed

description of the use of proceeds) subject to the MBGC financing fee. Each unit is comprised of one MBGC convertible debenture in the principal amount of $1,000 bearing interest at 10% per annum to be accrued and having a maturity date of four years and 1,000 MBGC convertible debenture warrants with each warrant being exercisable for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06. Each unit is convertible into one pre-consolidation common share and one warrant of MBGC with each warrant being convertible into one pre-consolidation common share of MBGC for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06;

- MBGC may proceed with a potential private placement offering of up to an additional 150 MBGC convertible debenture units to raise additional gross proceeds of up to a maximum of $150,000 with MVMD having a right of first refusal;
- MVMD will complete a private placement; and
- if MVMD terminates the amalgamation agreement because of an uncured breach by MBGC and MBGC consummates an acquisition transaction within one year of the date of termination, MBGC will pay a $500,000 break fee to MVMD.

Completion is subject all required consents, orders and approvals, including, without limitation regulatory approvals required, necessary or desirable for the completion of the proposed transactions.

On the effective date of the amalgamation:

- Subco and MVMD will amalgamate to form Amalco and will continue on as one corporation under the OBCA;
- every MVMD Class A and Class B common share prior to the amalgamation will receive one post-consolidation MBGC share;
- every Subco share prior to the amalgamation will receive one Amalco share; and
- the name of Amalco will be Mountain Valley MD Inc. or such other name as otherwise agreed to.

On July 3, 2019, the Company issued 773,000 Class B common shares pursuant to shares-for-services agreements. Of this amount, 360,000 shares were in respect of $72,000 included in accounts payable and accrued liabilities as at March 31, 2019.

On July 5, 2019, MVMD entered into a binding letter of intent (the "Smartek LOI") with Smartek International LLC ("Smartek"), a private corporation operating in the State of New Jersey, and its shareholders. Smartek is in the business of, among other things, developing, manufacturing and licensing desiccated liposomes. The terms of the Smartek LOI provide for the acquisition of certain existing and proposed patents and trademarks (the "Smartek Assets") to develop and commercialize numerous cannabis-based products, as well as complimentary non-cannabis opportunities leveraging the principal patents across nutraceutical, nicotine, and pharmaceutical applications. MVMD would also acquire related license and/or supply agreements with third parties, which would form part of the Smartek Assets. In consideration for the transfer of the Smartek Assets, MVMD would pay an aggregate of CAD $1,000,000, 25,000,000 Class "B" common shares, and 10,000,000 share purchase warrants with an exercise price of $0.60. The foregoing compensation would be paid over time upon the completion of certain agreed upon milestones. An initial payment of $100,000 (the "Initial Payment") has been made on July 11, 2019. It is the intention of the parties to complete the transaction by September

30, 2019, however, except for the binding letter of intent, no agreement other than the Smartek LOI has been entered into and there can be no assurance that any agreement will be entered into as contemplated or at all. In the event that the parties do not proceed with a definitive agreement, the Smartek LOI provides for the Initial Payment to be treated as a loan from MVMD to Smartek.

In the event that the parties to the Smartek LOI proceed with a definitive agreement, it is also intended that MVMD would engage the services of a shareholder of Smartek and the primary inventor of the Smartek Assets, in a role and capacity to be determined but anticipated to be Chief Science Officer.

On July 9, 2019, MVMD entered into a letter of intent (the "Colverde LOI") with Colverde MD S.A.S. ("Colverde"), a private corporation formed under the laws of the Republic of Colombia, and its shareholders (the "Colverde Vendors"). The terms of the Colverde LOI provide for the acquisition by MVMD, directly or indirectly, from the Vendors of all of the issued and outstanding shares of Colverde (the "Colverde Shares") such that Colverde will become a wholly owned subsidiary of MVMD.

In consideration for the acquisition of the Colverde Shares, MVMD would pay an aggregate purchase price (the "Purchase Price") of $130,000 as cash compensation and the issuance of 9,750,000 Class "B" common shares. A deposit of $130,000 (the "Deposit") has been made on July 16, 2019. The Colverde LOI further provides for the Colverde Shares to be held in escrow such that if a going public transaction is not completed by MVMD by a certain date (the "Deadline"), or if MVMD issues securities exceeding an agreed upon maximum prior to the Deadline, the Purchase Price for the Colverde Shares will instead by paid in cash. Note that, except for the letter of intent, no agreement has been entered into and there can be no assurance that any agreement will be entered into as contemplated or at all. In the event that the parties do not proceed with a definitive agreement, the Colverde LOI provides for the Deposit to be returned unless the Colverde LOI is terminated as a result of MVMD's actions or omissions aside from as a result of MVMD's due diligence review of Colverde revealing information that MVMD reasonably believes may be adverse to MVMD or its business.

On July 11, 2019, MVMD subscribed for a convertible debenture of MBGC in the principal amount of $350,000 ($350,000 paid) including 350,000 warrants pursuant to the amalgamation agreement with MBGC. The debenture bears interest at 10% per annum which accrues and is payable on the earlier of the conversion date or maturity, matures on July 11, 2023, is secured by a general security agreement, is convertible at the option of MVMD in $10,000 increments or multiples thereof and is redeemable in certain circumstances by MBGC.

On August 1, 2019, 098 renewed its mortgage on the MVM Property (see the section entitled "Business Overview") for a term of six months. The mortgage bears interest at 9.49%, has interest-only monthly payments of $2,452, can be prepaid without penalty and matures on February 1, 2020.

On July 29, 2019, MVMD began to offer (the "July Offering') units of MVMD (for the purposes of this paragraph, the "Units") on a private placement basis at a subscription price of $0.40 per Unit. Each Unit will be comprised of one Class "B" common share and one-half of one share purchase warrant (for the purposes of this paragraph, each full warrant a "Warrant", collectively the "Warrants"), each full Warrant entitling the holder to acquire one Class "B" common share at an exercise price of $0.60 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "Warrant Expiry Date"), subject to forced acceleration of the Warrant Expiry Date in the event that MVMD completes a going public transaction (such as the amalgamation transaction with MBGC) (the "Going Public Liquidity Event") and thereafter the common shares of the reporting issuer trade at $0.90 or higher for at least three (3) consecutive trading days, whereby MVMD (or the resulting issuer) may, at its option, accelerate the Warrant Expiry Date by giving notice to the holder thereof and in such case the Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event, the holders of the Units will not be able to trade the Class "B" Common Shares (or Warrants or underlying Class "B" common shares comprising the Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. No closings of the July Offering have yet occurred. In July and August 2019, up to the date of this MD&A, the Company received subscriptions totaling $55,000 relating to the July Offering.

SCHEDULE "F"

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF MEADOW BAY GOLD CORPORATION FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

[see attached]

MEADOW BAY GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JUNE 30, 2019

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts, constitute forward looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise such forward looking statements, as a result of new information, future events or otherwise.

MANAGEMENTS DISCUSSION AND ANALYSIS

August 29, 2019

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Meadow Bay Gold Corporation ("Meadow Bay") financial statements. The statements are provided for the purpose of reviewing the first quarter of fiscal 2020 and comparing results to the previous period. The MD&A should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the fiscal years ending March 31, 2019 and 2018.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

The management of Meadow Bay is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The board of directors of Meadow Bay follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The audit committee of Meadow Bay meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS

Meadow Bay was incorporated in British Columbia under the laws of the Business Corporations Act on March 8, 2005. The Company was listed for trading on the TSX Venture Exchange (TSX.V) as a Capital Pool Company on September 18, 2006. The Company currently trades on the Canadian Securities Exchange (CSE) under the symbol "MAY.CN"

On January 21, 2011, the Company entered into a Letter of Intent ("LOI") to acquire all of the issued and outstanding common stock of Desert Hawk Resources Inc. ("Desert Hawk"), a private Delaware corporation. The Company also launched a private placement financing that closed March 1, 2011 with the sale of 11,313,750 common shares at $1.00US. The purchase of Desert Hawk was completed on March 1, 2011.

Desert Hawk Resources Inc., is a mining and exploration company with a gold project in Nevada called the Atlanta Gold and Silver Mine, a former producing gold and silver mine. The Atlanta Mine produced 1.5 million tons of ore containing 0.09 ounces gold/ton and 1.25 ounces silver/ton and recovered 121,000 ounces of gold and 800,000 ounces of silver during the period 1975 to 1985 based on historical records. A National Instrument 43-101 resource estimation was prepared by Gustavson LLC in March 2013 and subsequently filed on SEDAR. The Company also received an initial in-pit resource estimate prepared by Gustavson LLC. The in-pit resource incorporated additional drilling in 2015.

OVERALL PERFORMANCE

During the quarter ended June 30, 2019, the Company incurred a net loss of $89,971 (2018 - $185,270). After consideration for an unfavourable currency translation adjustment of $1,454, the Company posted a comprehensive loss of $91,425. In fiscal 2018 the translation adjustment was favourable at $368,951, creating a comprehensive income for that period of $183,681.

SELECTED ANNUAL INFORMATION

	Year ended March 31, 2019 $	Year ended March 31, 2018 $	Year ended March 31, 2017 $
Total revenues	-	-	-
Net loss for the year	(22,847,043)	(961,815)	(795,361)
Net loss per share, basic and diluted	(0.03)	(0.04)	(0.04)
Total assets	6,383,576	28,293,889	28,443,012
Total working capital (deficit)	(362,004)	428,719)	(223,601)
Shareholder's equity	5,946,548	28,170,554	28,012,665

RESULTS OF OPERATIONS

For the three months ended June 30, 2019 (“2019”) compared to the same quarter for the previous year – three months ending June 30, 2018 (“2018”):

Total operating expenses in 2019 amounted to $89,971 compared to $185,270 in 2018. In both years, there was no revenue or other items. The expenses were $95,299 less in 2019, which represents a decrease of 51% from 2018.

The account representing the majority of the difference was *Professional fees*, which was $81,363 less in 2019 than in 2018 ($7,500 v $88,863). In 2018 the account was significantly higher than in other quarters, as during that quarter the Company incurred legal fees in reviewing financing proposals. The only other account in which the difference between the two period was greater than $4,000 was *Office and administration services*, where there was a $7,406 reduction in 2019 (27,498 v $34,904). The expenses in 2018 included a charge for insurance which was a timing difference and will be incurred in the second quarter of 2019. All other accounts experienced very little change: Consulting fees of $31,500 in 2019 v. $31,000 in 2018; Depreciation of $15,054 in 2019 v. $15,105 in 2018; Interest on lease payments of $502 in 2019 v. $905 in 2018; Office and administration services of $27,498 in 2019 v. $34,904 in 2018; Trade shows and investor relations of $128 V. $Nil in 2018; Transfer agent and filing fees of $6,848 in 2019 v. $10,021 in 2018; and, Travel of $941 in 2019 v. $4,472 in 2018.

SUMMARY OF QUARTERLY RESULTS:

Effective April 1, 2019, the Company adopted *IFRS 16, Leases*, the effect of which was to capitalize the lease on premises as a right to use asset and recognize future lease payments as a liability. A retroactive adoption was required and the following quarterly results for the past eight quarters have been adjusted for the change in accounting for leases.

	June 30 2019 $	**March 31 2019** $	**Dec 31 2018** $	**Sept 30 2018** $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(89,971)	(23,379,961)	(94,944)	(189,868)
Net income (loss)	(89,971)	(23,379,961)	(94,944)	(189,868)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.47)	(0.00)	(0.00)
Net income (loss) per share	(0.00)	(0.47)	(0.00)	(0.00)

	June 30 2018 $	March 31 2018 $	Dec 31 2017 $	Sept 30 2017 $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(185,270)	(184,922)	(453,065)	(95,531)
Net income (loss)	(185,270)	(184,922)	(453,065)	(95,531)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.01)	(0.01)	(0.01)
Net income (loss) per share	(0.00)	(0.01)	(0.01)	(0.01)

EXPLORATION PROGRAM

During the 2018-19 fiscal period, the Company worked with Gustavson to produce an updated in-pit resource estimate. This in-pit resource is part of the larger global resource at the Atlanta Project with the bulk of the resource along the intersection of the Atlanta fault. It also includes much of the Atlanta Porphyry, which is in the hanging-wall of the Atlanta Fault. In 2018 – 2019, most of the expenses were incurred in geological consulting reviewing those results and determining the best approach to develop the property moving forward.

The Company objective is to initiate work to obtain a Preliminary Economic Assessment (PEA) of the Atlanta Porphyry to determine if it can be put into production at current gold prices. This will include metallurgy on Porphyry, mine modelling, and completion of the PEA Report by Gustavson, which should be available early in 2020.

POTENTIAL NEW AREA OF FOCUS

On June 28, 2019, the Company announced it has entered into an Amalgamation Agreement with Mountain Valley MD Inc. ("MVMD") and 2700915 Ontario Inc. a newly incorporated wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis (the "Proposed Transaction"). The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the Canadian Securities Exchange (the "CSE").

MVMD Inc. is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world's leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a licence to produce and sell high-quality strains of medical grade cannabis in British Columbia. MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had a cash of $131 compared to $39,617 as at March 31, 2019. The Company had a working capital deficit of $439,998 as at June 30, 2019 compared to a working capital deficit of $362,004 as at March 31, 2019.

There were no share transactions that occurred during the period ending June 30, 2019. However, on July 12, 2019, the Company completed the first tranche of a bridge loan financing (the "Bridge Loan Financing"), raising gross proceeds of $350,000 by way of the sale of 350 convertible debenture units (the "Convertible Debenture Units") to MVMD. Each Convertible Debenture Unit consisted of one secured convertible debenture of the Company (a "Convertible Debenture") in the principal amount of $1,000 and 1,000 share purchase warrants of the Company (the "Convertible Debenture Warrants"). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a "Resulting Issuer Share") of the resulting issuer upon completion of the Proposed Transaction (the "Resulting Issuer") at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. Each Convertible Debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer ("Conversion Units") at a price of $0.05 per Conversion Unit ($0.40, post-Consolidation). Each Conversion Unit will consist of one Resulting Issuer Share and one share purchase warrant (a "Conversion Warrant"), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. The Company granted MVMD a right of first refusal to subscribe for up to an additional 150 Convertible Debenture Units for an aggregate purchase price of up to $150,000. Meadow Bay paid MVMD a 7% loan administration fee in cash in the amount of $24,500 in connection with the Bridge Loan Financing. All securities issued or issuable pursuant to the Bridge Loan Financing are subject to a hold period of four months and a day in accordance with applicable securities legislation, expiring on November 12, 2019. The proceeds of the Bridge Loan Financing will be used to pay Meadow Bay's professional fees and working capital expenditures.

During the year ending March 31, 2019, the Company did not have any share transactions:

The Company has no debt other than current liabilities of $464,997 at June 30, 2019. ($437,028 as at March 31, 2019, including $7,426 of long-term lease payable). With the closing of bridge loan financing, management believes that the Company has sufficient capital resources to meet its initial capital requirements for the current year.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control. The annual and interim financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally-imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the quarter ended June 30, 2019 as compared to the quarter ending June 30, 2018:

a) Consulting fees paid or accrued to the President/CEO of the Company of $22,500 v. $22,500 for 2018;

b) Consulting fees paid or accrued to the CFO of $9,000 v. $8,500 for 2018;

The Company owed the following amounts to related parties as at the year end of:

	June 30, 2019	March 31, 2019
Robert Dinning, CEO	$ 50,350	$ 34,600
Keith Margetson, CFO	$ 31,950	$ 15,750

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to determination of stock-based compensation, impairment of assets, and future income taxes. Actual results could differ from these estimates.

FUTURE ACCOUNTING CHANGES

The Company adopts new pronouncements relating to generally accepted accounting principles applicable to the Company as they are issued, which may be in advance of their effective date. Management does not believe that any recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the accompanying financial statements.

FINANCIAL INSTRUMENTS

The Company classified its cash as loans and receivables and is carried at amortized costs. Accounts payable and accrued liabilities and accounts payable to related parties are classified as other financial liabilities, which are measured at amortized cost. The carrying values of the Company's financial assets and liabilities approximate their fair value due to the relatively short periods to maturity of these investments.

The Company's financial instruments and risk exposures are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash and cash equivalents is minimal as they are held with a high-credit quality financial institution. As at June 30, 2019, no amount of cash was over the federally insured limit.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2019, the Company had current assets of $24,999 to settle current liabilities of $494,997. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

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

(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 the market interest rates. The interest rate risks on cash is not considered significant

(b) Foreign exchange rate risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have material transactions designated in a foreign currency and therefore management considers the foreign exchange risk to be minimal. At June 30, 2019, approximately $213,000 in accounts payable and accrued charges were in US dollars. A 10% variation in the US dollar would result in an impact of approximately $21,300 on net income.

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	50,056,229
Stock options	3,593,750
Warrants	18,815,772
	72,465,751

RISK AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural mineral properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral property, which is at very early stages of exploration, the following risk factors, amongst others, apply:

Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow. The Company has incurred losses since its inception. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the Properties and administrative costs. The Company cannot predict when it will reach positive operating cash flow.

Mining Industry

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

Equity Market Risk

The Company raises money in the equity markets which can fluctuate significantly. If the appetite for equity financing is curtailed it may be difficult or impossible to raise additional equity. This could have a negative effect on the Company and its ability to operate. These factors are beyond the control of management.

Reliance on Management

The Company relies on its management to execute its business plan. If members of the management team should become unavailable for any reason the Company could experience difficulties in executing its plans.

Title

There is no guarantee that title to properties in which Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Before a number of claims under option can be recorded in Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

EFFECTIVENESS OF DISCLOSURE CONTROLS

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company's disclosure controls as of March 31, 2019. They have concluded that the Company's disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com. Additional financial information concerning the Company is provided in its audited comparative financial statements and management's discussion and analysis for the Company's most recently completed financial year. Copies of this information are available by contacting the Company at its offices located at Suite 210 - 905 West Pender Street, Vancouver, BC, V6C 1L6; phone 604-641-4450 or 604-682-2928; fax 1-855-557-4622 or 604-685-6905.

SCHEDULE "G"

PRO FORMA FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

[see attached]

Meadow Bay Gold Corporation

Pro Forma Consolidated Financial Statements

March 31, 2019

(Unaudited)

(Expressed in Canadian Dollars)

Meadow Bay Gold Corporation
Pro Forma Consolidated Statement of Financial Position
March 31, 2019
(Unaudited) – (Expressed in Canadian Dollars)

	Meadow Bay Gold Corporation March 31, 2019	Mountain Valley MD Inc. March 31, 2019	Pro Forma Adjustments	Notes	Consolidated Pro Forma
Assets					
Current					
Cash	39,617	9,086,662	55,000	4(a)	9,181,279
Other receivable	16,591	21,012	-		37,603
Prepaid expenses	11,390	73,035	-		84,425
Deposit - acquisition	-	100,000	-		100,000
Note receivable	-	817,574	-		817,574
	67,598	10,098,283	55,000		10,220,881
Non-current					
Exploration and evaluation assets	6,000,000	-	(4,361,032)	3	1,638,968
Plant and equipment	280,961	1,390,000	-		1,670,961
	6,280,961	1,390,000	(4,361,032)		3,309,929
Total assets	6,348,559	11,488,283	(4,306,032)		13,530,810
Liabilities					
Current					
Accounts payable and accrued liabilities	350,625	224,337	205,000	4(b)	779,962
Amounts payable to related parties	50,350	-	-		50,350
Mortgage payable	-	310,000	-		310,000
Total current liabilities	400,975	534,337	-		1,140,312
Shareholders' Equity					
Share capital	35,048,332	11,840,978	(35,048,332)	4(c)	11,840,978
	-	-	1,381,552	3	1,381,552
	-	-	55,000	4(a)	55,000
Share subscriptions received	-	10,000	-		10,000
Contributed surplus	7,140,174	-	(7,140,174)	4(c)	0
Accumulated other comprehensive income	4,383,507	-	(4,383,507)	4(c)	0
Deficit	(40,624,429)	(897,032)	40,624,429	4(c)	(897,032)
Total shareholders' equity	5,947,584	10,953,946	(4,511,032)		12,390,498
Total liabilities and shareholders' equity	6,348,559	11,488,283	(4,306,032)		13,530,810

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

Meadow Bay Gold Corporation
Pro Forma Consolidated Statement of Comprehensive Loss
Period Ended March 31, 2019
(Unaudited) – (Expressed in Canadian Dollars)

	Meadow Bay Gold Corporation Year Ended March 31, 2019	Mountain Valley MD Inc. Period from incorporation on October 26, 2018 to March 31, 2019	Pro Forma Adjustments	Notes	Consolidated Pro Forma
Operating expenses					
Consulting - general and administration	126,000	522,899	-		648,899
Depreciation	32,679	-	-		32,679
Maintenance of claims	85,495	-	-		85,495
Office and administration	176,164	9,210	-		185,374
Professional fees	119,529	205,925	-		325,454
Trade shows and investor relations	16,883	-	-		16,883
Transfer agent and filing	48,075	-	-		48,075
Mortgage interest	-	9,799	-		9,799
Property taxes	-	1,046	-		1,046
Rent	-	10,500	-		10,500
Utilities	-	5,373	-		5,373
Travel	19,410	132,280	-		151,690
Operating loss before other items	(624,235)	(897,032)	-		(1,521,267)
Impairment of exploration and evaluation assets	(22,221,772)	-	22,221,772	4(d)	0
Net loss for the year	(22,846,007)	(897,032)	22,221,772		(1,521,267)
Other comprehensive loss					
Translation adjustment	623,037	-	-		623,037
Comprehensive loss for the year	(22,222,970)	(897,032)	22,221,772		(898,230)
Loss per share					
Basic	(0.46)	(0.01)			(0.01)
Diluted	(0.46)	(0.01)			(0.01)
Weighted average number of shares outstanding					
Basic	50,056,229	93,720,659			233,037,429
Diluted	50,056,229	93,720,659			233,037,429

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

1. Basis of Presentation

The accompanying unaudited pro forma consolidated financial statements have been prepared by the management of Meadow Bay Gold Corporation ("Meadow Bay" or the "Company") for inclusion in the Company's Listing Statement in connection with the amalgamation agreement to between Meadow Bay and Mountain Valley MD Inc. ("Mountain Valley") (the "Amalgamation Agreement").

The pro forma consolidated statement of financial position has been prepared assuming the Amalgamation Agreement had occurred on March 31, 2019. The pro forma consolidated statement of loss and comprehensive loss for the year ended March 31, 2019 have been prepared as if the Amalgamation Agreement had occurred on April 1, 2018. These pro forma consolidated financial statements of the Company have been compiled from and include:

a) Unaudited pro forma consolidated statement of financial position as at March 31, 2019 combining the audited consolidated statements of financial position of Meadow Bay and Mountain Valley as at March 31, 2019.

b) Unaudited pro forma consolidated statement of loss and comprehensive loss for the year ended March 31, 2019 combining the audited consolidated statements of loss and comprehensive loss of Meadow Bay for the year ended March 31, 2019 and the audited consolidated statements of loss and comprehensive loss of Mountain Valley for the period from incorporation on October 26, 2018 to March 31, 2019.

   Intercompany transactions have been eliminated.

The unaudited pro forma consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company as at and for the twelve months ended March 31, 2019 and notes included therein, as referred to above or available at www.sedar.com.

It is management's opinion that these pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described herein and are in accordance with International Financial Reporting Standards ("IFRS"). The pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro forma consolidated financial information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro forma consolidated financial statements and the differences may be material.

2. Summary of Significant Accounting Policies

The unaudited pro forma consolidated statement of financial position has been compiled using the significant accounting policies as set out in the audited financial statements of Meadow Bay and Mountain Valley as described in the notes to their audited financial statements for the year ended March 31, 2019.

3. Amalgamation Agreement

On June 28, 2019, Mountain Valley entered into an Amalgamation Agreement with Meadow Bay, a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and a wholly-owned Ontario subsidiary of Meadow Bay ("Subco") to effect the combination of their respective businesses and assets by way of a three cornered amalgamation between Meadow Bay, Mountain Valley and Subco to form a new corporation ("Amalco"). Pursuant to the Amalgamation Agreement:

- Meadow Bay will consolidate its issued and outstanding common shares on an 8:1 basis;
- Meadow Valley will subscribe for 350 Meadow Bay convertible debenture units ("Unit"). Each Unit is comprised of one Meadow Bay convertible debenture in the principal amount of $1,000 bearing interest at 10% per annum with maturity date of four years and 1,000 Meadow Bay convertible debenture warrants with each warrant being exercisable for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06. Each Unit is convertible into one pre-consolidation common share and one warrant of Meadow Bay with each warrant being convertible into one pre-consolidation common share of Meadow Bay for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06.
- Meadow Bay may proceed with a potential private placement offering of up to an additional 150 Units to raise additional gross proceeds of $150,000;
- Meadow Valley will complete a private placement; and
- If Meadow Valley terminates the amalgamation agreement because of an uncured breach by Meadow Bay and Meadow Bay consummates an acquisition transaction within one year of the date of the termination, Meadow Bay will pay a $500,000 break fee to Mountain Valley.

On the effective date of the amalgamation:

- Subco and Meadow Valley will amalgamate to form Amalco and will continue as on as one corporation;
- Every Mountain Valley Class A and Class B common share prior to the amalgamation will receive one post-consolidation Meadow Bay common share;
- Every Subco share prior to the amalgamation will receive one Amalco share; and
- The name of Amalco will be Mountain Valley MD Inc. or such other name as otherwise agreed to.

The transaction will constitute a reverse take-over ("RTO") for accounting purposes, as certain Mountain Valley shareholders will hold a majority voting interest in the amalgamated entity, the majority of the Board of Directors will comprise of Mountain Valley shareholders and the management of Mountain Valley will become senior management of the amalgamated company. Although Meadow Bay will be regarded as the legal parent and continuing company. Mountain Valley will be the acquirer for accounting purposes. Consequently, Mountain Valley will be deemed a continuation of the reporting entity, and control of the assets and operations of the Company will be deemed to have been acquired in consideration for the issuance of the Company's shares to the former shareholders of Mountain Valley. At the time of this transaction, the Company did not constitute a business as defined under IFRS 3, Business Combinations; therefore, the transaction is accounted for under IFRS 2, Share Based Payment, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a listing expense. The net assets acquired pursuant to the acquisition are as follows:

Accounting for the acquisition as a reverse take over result in the following:

Allocation of Purchase Consideration	
Cash and cash equivalents	39,617
Other receivable	16,591
Prepaid expenses	11,390
Exploration and evaluation assets	1,638,968
Plant and equipment	280,961
Accounts payable and accrued liabilities	(350,625)
Amounts payable to related parties	(50,350)
Net assets acquired	1,586,552
Total	1,586,552

Total Purchase Consideration	
Common shares	1,381,552
Transaction fees	205,000
Total purchase consideration	1,586,552

- The consolidated statements of the combined entities are issued as the financial statements of the legal parent, Meadow Bay, but are considered a continuation of the legal subsidiary, Mountain Valley.

- Since Meadow Bay is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the unaudited pro forma consolidated financial statements at their historical carrying costs.

- In connection with the acquisition, the former shareholders of Meadow Bay retained 50,056,229 common shares of the Company.

- The fair value of the 50,056,229 common shares was determined to be $1,381,552, based on the fair value of the common shares on September 16, 2019.

  For purposes of preparing the unaudited consolidated pro forma financial statements, the net assets acquired are measured at preliminarily estimated fair values at March 31, 2019. A final determination of fair values and consideration given will be based on the actual assets and liabilities that exist at closing date and on actual fair value of the Mountain Valley shares at that time. Accordingly the estimated fair values of assets and liabilities reflected in the table above are preliminary and subject to change pending additional information and facts that may be known at the closing date.

4. Pro Forma Assumptions and Adjustments

a) In connection with the closing of the Amalgamation Agreement, Mountain Valley completed a private placement of 137,500 units for gross proceeds of $55,000. Each unit consists of one

Class B common share and one half share purchase warrant, each full warrant exercisable at $0.60 to purchase one Class B common share for 2 years from the date of issuance.

b) Incur estimated transaction costs in the amount of $205,000, primarily as a result of professional fees.

c) As a result of the reverse acquisition, the pro-forma consolidated statement of financial position has been adjusted for the elimination of Meadow Bay's share capital, reserves and deficit.

d) Giving effect to the transaction as at April 1, 2019 would have resulted in a value attributed to the exploration and evaluation assets of $1,433,968 at initial recognition (note 3) and accordingly an impairment would not have been recorded during the year ended March 31, 2019.

5. Share Capital

Share capital as at March 31, 201 in the unaudited pro forma consolidated financial statements is comprised of the following:

	Number of Shares	Capital Stock	Reserves
Authorized			
Unlimited common shares without par value			
Issued			
Balance as at March 31, 2019 - Meadow Bay	50,056,229	35,048,332	11,523,681
Common share issuance - Mountain Valley	50,056,229	11,840,978	10,000
Elimination of pre-acquisition share capital of Meadow Bay	(50,056,229)	(35,048,332)	(11,523,681)
Common shares issued per reverse takeover	182,843,700	1,381,552	-
Shares issued in concurrent private placement - Mountain Valley	137,500	55,000	-
Total	233,037,429	13,277,530	10,000

6. Pro Forma Net Loss Per Share

Net loss per common share is calculated by dividing the pro forma net loss applicable to common shares by the weighted average number of common shares outstanding for the year ended March 31, 2019 and reflects the common share issuances as if they had taken place at April 1, 2018.

7. Income Taxes

The pro forma effective tax rate applicable to the consolidated operations will be 27%.

Meadow Bay has non-capital loss carry forwards of approximately $9,198,204 as at March 31, 2019. Mountain Valley has non-capital loss carry forwards of approximately $928,000 as at March 31, 2019.

Given uncertainty on how and when these taxes can be utilized, no adjustment has been made to these unaudited pro forma consolidated financial statements.

SCHEDULE "H"

STATEMENT OF EXECUTIVE COMPENSATION OF MEADOW BAY

The following information of Meadow Bay is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by Meadow Bay or one of its subsidiaries for services provided or to be provided, directly or indirectly, to Meadow Bay or any of its subsidiaries;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, during any part of Meadow Bay's financial year ended March 31, 2019, served as the chief executive officer ("**CEO**") of Meadow Bay, including an individual performing functions similar to a CEO;

(b) each individual who, during any part of Meadow Bay's financial year ended March 31, 2019, served as chief financial officer ("**CFO**") of Meadow Bay, including an individual performing functions similar to a CFO;

(c) in respect of Meadow Bay and its subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended March 31, 2019 whose total compensation was more than $150,000, as determined in accordance with subsection 1.2(5) of Form 51-102F6V, for the financial year ended March 31, 2019; and

(d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of Meadow Bay, and was not acting in a similar capacity, as at March 31, 2019.

Based on the foregoing definition, Meadow Bay has two Named Executive Officers: Robert Dinning, the current Chairman and Chief Executive Officer, Keith Margetson, the current Chief Financial Officer.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to Meadow Bay's Named Executive Officers and directors for each of Meadow Bay's two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year Ended March 31**	**Salary consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation ($)**	**Total compen-sation ($)**
Robert Dinning Chairman and CEO	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	90,000 30,000	90,000 30,000
Keith Margetson CFO	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	36,000 22,500	36,000 22,500
Adrian Robertson Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Charles William (Bill) Reed Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Jordan Estra Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

External Management Companies

Neither Robert Dinning nor Keith Margetson, the NEOs of Meadow Bay, are employees of Meadow Bay. See "*Employment, Consulting and Management Agreements*" for further information about consulting agreements in respect of the NEOs.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to all NEOs and directors by Meadow Bay during the most recently completed financial fiscal year ended March 31, 2019 for services provided or to be provided, directly or indirectly, to Meadow Bay:

Compensation Securities							
Name and Position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage class**	**Date of issue of grant**	**Issue, conversion or exercise price ($)**	**Closing price of security on date of grant ($)**	**Closing price of security on date at year end ($)**	**Expiry date**
Robert Dinning Chairman and CEO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Keith Margetson CFO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Adrian Robertson Director	Options	Nil	N/A	N/A	N/A	N/A	N/A

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage class	Date of issue of grant	Issue, conversion or exercise price ($)	Closing price of security on date of grant ($)	Closing price of security on date at year end ($)	Expiry date
Charles William (Bill) Reed Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Jordan Estra Director	Options	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all exercise of Compensation Securities by directors and NEOs of Meadow Bay during the most recently completed financial fiscal year ended March 31, 2019.

Exercise of Compensation Securities by Directors and NEO's							
Name and Position	Type of compensation security	Number of underlying securities, exercised	Exercise price of security ($)	Date of exercise	Closing price of security on date of exercise ($)	Difference between exercise price and closing price on date of exercise ($)	Total value on exercise date ($)
Robert Dinning Chairman and CEO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Keith Margetson CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Adrian Robertson Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Charles William (Bill) Reed Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jordan Estra Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Employment, Consulting and Management Agreements

Pursuant to a consulting agreement (the "**Carlton Agreement**") made as of January 1, 2012 between Meadow Bay and Carlton Energy Inc. ("**Carlton**"), a company controlled by Robert Dinning, the Chairman and President and CEO of Meadow Bay, Meadow Bay agreed to pay Carlton a monthly fee of $15,000, plus HST, exclusive of bonuses, benefits and other compensation, for the first year of the term of the Carlton Agreement for services rendered by Carlton to Meadow Bay. The yearly fee payable to Carlton for subsequent years is to be increased by a figure equal to any increase in the Consumer Price Index. The Carlton Agreement had an initial term of two years, automatically extendable in one-year increments unless Meadow Bay gave written notice that it did not wish to further extend the Carlton Agreement. In the event of termination by Meadow Bay other than for just cause, disability or death or termination by Carlton for "good reason", Meadow Bay shall pay Carlton within 45 days after the date of termination the amount of the balance of the current year's obligation plus one additional year of compensation, and all outstanding and accrued regular and special vacation pay to the date of termination. If Meadow Bay does not renew the Carlton Agreement, Meadow Bay will pay Carlton an amount equal to the sum of one year's annual salary and the average annual bonus paid to Carlton in the previous two years. During the financial year ended March 31, 2019, Carlton received or accrued fees in the amount of $90,000.

Good reason" is defined in the Carlton Agreement as the occurrence of any of the following without Carlton's written consent: (i) a change (other than those that are clearly consistent with a promotion) in Carlton's position or duties (including any position or duties as a director of Meadow Bay), responsibilities (including, without limitation, to whom Carlton reports and who reports to Meadow Bay), title or office in effect immediately prior to a "control change", which includes any removal of Carlton from or any failure to re-elect or reappoint Carlton to any such positions or offices; (ii) a reduction by Meadow Bay of Carlton's fee, benefits or any other form of remuneration or any change in the basis upon which Carlton's fees, benefits or any other form of remuneration payable by Meadow Bay is determined or any failure by Meadow Bay to increase Carlton's fees, benefits or any other forms of remuneration payable by Meadow Bay in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the "control change" or with practices implemented subsequent to the "control change" with respect to the senior employees of Meadow Bay, whichever is more favorable to Meadow Bay; (iii) any failure by Meadow Bay to continue in effect any benefit, bonus, profit, sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, pension plan or retirement plan in which Carlton is participating or entitled to participate immediately prior to the "control change", or Meadow Bay taking any action of failing to take any action that would adversely affect Carlton's participation in or reduce his rights or benefits under or pursuant to any such plan, or Meadow Bay failing to increase or improve the rights or benefits on a basis consistent with practices implemented subsequent to the "control change" or with practices implemented subsequent to the "control change" or with the senior employees of Meadow Bay, whichever is more favorable to Carlton; (iv) Meadow Bay relocating Carlton to any place other than the location for work reported at on a regular basis immediately prior to the "control change" or a place within 50 kilometers of that location; (v) any failure by Meadow Bay to provide Carlton with the number of paid vacation days to which Carlton was entitled immediately prior to the "control change" of Meadow Bay failing to increase such paid vacation on a basis or with practice implemented subsequent to the "control change" with the respect to the senior employees of Meadow Bay, whichever is more favorable to Meadow Bay; or (vi) Meadow Bay taking action to deprive Carlton of any material fringe benefit not mentioned before in the Carlton Agreement and enjoyed by Carlton immediately prior to the "control change", or Meadow Bay failing to increase or improve such material fringe benefits on a basis consistent with practices implemented subsequent to the "control change" or with practices implemented subsequent on the "control change" with respect to their senior employees of Meadow Bay, whichever is more favorable to Meadow Bay; or (vii) any breach by Meadow Bay of any provision of the Agreement; or (viii) the good faith determination by Carlton that, as a result of the "control change" or any action or event thereafter, Carlton's status or responsibility in Meadow Bay have been diminished or Carlton is being effectively prevented from carrying out his duties and responsibilities as they existed immediately prior to the "control change"; or (ix) the failure by Meadow Bay to obtain, in a form satisfactory to Carlton, an effective assumption of its obligations under the Carlton Agreement by any successor to Meadow Bay, including a successor to a material portion of its business.

"Control change" is defined in the Carlton Agreement as the occurrence of any of the following events: (i) the actual acquisition or continuing ownership of, securities ("**Convertible Securities**") convertible into, exchangeable for or representing the right to acquire shares of Meadow Bay as a result of which a person, group of persons or persons acting jointly or in concert, or which associated or affiliated within the meaning of the *Business Corporations Act* (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, "**Acquirors**"), may or do beneficially own shares of Meadow Bay and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares that would entitle the holders thereof to cast more than 20% of the votes attaching to all the shares in the capital of Meadow Bay that may be cast to elect directors of Meadow Bay; or (ii) the exercise of the voting power for all of any such shares so as to cause or result in the election of a number of directors greater than 50% of the total number of directors of Meadow Bay who were not incumbent directors; or (iii) the shareholders of Meadow Bay approving a resolution authorizing Meadow Bay to enter into a transaction involving, directly or indirectly, (a) the merger, amalgamation or other combination of Meadow Bay or its principal business with one or more other entities; or (b) the sale of all or substantially all of the assets of Meadow Bay; or (iv) any transactions or series of transactions, the effect of which would cause Carlton and/or the directors of Meadow Bay, or any company, partnership, limited partnership, or any other legal entity of which they exercise control, to own less than ten percent of the issued and outstanding voting shares of Meadow Bay; or (v) any change in directors at an annual or special meeting of shareholders in which the identity of a majority of directors is different than that preceding such meeting.

Pursuant to a consulting agreement (the "**Margetson Agreement**") made as of May 1, 2011 between Meadow Bay and Keith Margetson for services rendered by Mr. Margetson to Meadow Bay as CFO based on 30 hours per month, with additional hours billed at $100 per hour. The Margetson Agreement may be extended on the mutual agreement of the parties. Meadow Bay may terminate the Margetson Agreement at any time without just cause by paying Mr. Margetson a lump sum equal to three months' compensation and any unpaid reimbursable business expenses incurred through to the last day of engagement. On a "change of control" of Meadow Bay, specified in the Margetson Agreement as a takeover bid, private purchase, merger, amalgamation, corporate reorganization or any other form of business combination, acquisition of more than 50% of Meadow Bay or control by a third party of more than 50% of the Board, Mr. Margetson, at his option may, within a 12 month period from the "change of control" receive a lump sum payment equal to 12 months' compensation and any unpaid, allowable, reimbursable business expenses incurred through to the last day of engagement with Meadow Bay. During the financial year ended March 31, 2019, Mr. Margetson received or accrued fees in the amount of $36,000.

If a severance payment triggering event had occurred on March 31, 2019, the severance payments that would be payable to each of the NEOs are approximately as follows:

NEO Name	Termination by Meadow Bay for any reason other than cause and unrelated to "Change of Control" of Meadow Bay (estimated) ($)	Termination by Meadow Bay without cause after a "Change of Control" of Meadow Bay (estimated) ($)
Robert Dinning	90,000	90,000
Keith Margetson	9,000	36,000

Compensation, Philosophy and Objectives

Meadow Bay does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of Meadow Bay's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable Meadow Bay to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that Meadow Bay is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of Meadow Bay.

Meadow Bay considers the granting of incentive stock options to be a significant component of executive compensation as it allows Meadow Bay to reward each NEO's efforts to increase value for shareholders without requiring Meadow Bay to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of Meadow Bay's stock option grants, including vesting provisions and exercise prices, are governed by the terms of Meadow Bay's existing stock option plan (the "**Plan**").

Description of Stock Option Plan

The Plan is a "rolling" stock option plan, pursuant to which a maximum of 10% of the issued and outstanding Meadow Bay Common Shares at the time an option is granted may be reserved for issuance pursuant to the exercise of incentive stock options. The Plan was approved by the Board on October 20, 2017 and was ratified and approved by shareholders at Meadow Bay's annual general meeting held on November 17, 2017. The Plan was adopted by Meadow Bay in connection with the transfer of the listing of the Meadow Bay Common Shares from the Toronto Stock Exchange to the TSX Venture Exchange ("**TSXV**") on September 27, 2017 in order to comply with the policies of the TSXV. The Plan replaced Meadow Bay's previous stock option plan adopted in 2012 (the "**Previous Plan**") wherein all outstanding stock options under the Previous Plan were rolled into and deemed granted under the Plan. The listing of the Meadow Bay Common Shares was transferred from the TSXV to the Canadian Securities Exchange (the "**CSE Listing**") on March 2, 2018 and Meadow Bay intends make corrections to the Plan in order to reflect the CSE Listing.

The purpose of the Plan is to provide incentives to qualified persons to increase their proprietary interest in Meadow Bay and thereby encourage their continuing association with Meadow Bay. The Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of Meadow Bay.

Administration

The Plan is administered by the Board or by a committee of two or more directors who may be designated from time to time to serve as the committee for the Plan. Subject to the limitations of the Plan, the Board has full power to grant options, to determine the terms, limitations, restrictions and conditions respecting such options and to settle, execute and deliver option agreements and bind Meadow Bay accordingly, to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of Meadow Bay and in keeping with the objectives of the Plan.

Total Number of Securities Issuable and Securities Issued under the Plan

The maximum aggregate number of Meadow Bay Common Shares reserved for issuance pursuant to the exercise of options granted under the Plan is 10% of the outstanding Meadow Bay Common Shares as at the date of a stock option grant. If any option is exercised, in whole or in part, then the maximum number of Meadow Bay Common Shares for which options may be granted hereunder shall be proportionately increased by the number of Meadow Bay Common Shares issued on such exercise. If any option subject to the Plan is forfeited, expires, is terminated or is cancelled for any reason other than by reason of exercise, then the maximum number of Meadow Bay Common Shares for which options may be granted must be increased by the number of Meadow Bay Common Shares which were the subject of such forfeited, expired, terminated or cancelled option. The maximum number of Meadow Bay Common Shares must be appropriately adjusted in the event of a subdivision or consolidation of the Meadow Bay Common Shares.

Option Exercise Price

The exercise price per Meadow Bay Common Share under an option must be determined by the administrator, in its discretion, at the time such option is granted, but such price shall not be less than the Discounted Market Price (as this term is defined under the Plan). Subject to regulatory approval, the exercise price per optioned share under an option may be reduced at the discretion of the administrator if (i) prior regulatory approval is obtained and at least six months has elapsed since the later of the date such option was granted and the date the exercise price for such option was last amended; and (ii) disinterested shareholder approval is obtained for any reduction in the exercise price under an option held by an insider of Meadow Bay at the time of the proposed reduction; provided that if the exercise price is reduced to less than the Market Price (as this term is defined under the Plan), a hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made in the event of any subdivision or consolidation of the Meadow Bay Common Shares.

Tax Withholding

The Plan establishes that Meadow Bay shall have the right to withhold from any amount payable to an optionee such amount as may be necessary to enable Meadow Bay to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards under the Plan. Meadow Bay shall also have the right in its discretion to satisfy any liability for any withholding obligations by selling, or causing a broker to sell, on behalf of any participant such number of Meadow Bay Common Shares issued to the participant pursuant to an exercise of options under the Plan as is sufficient to fund the withholding obligations (after deducting commissions payable to the broker), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the participant under the Plan. Meadow Bay may require a participant, as a condition to exercise of an option, to make such arrangements as Meadow Bay may require so that Meadow Bay can satisfy applicable withholding obligations, including, without limitation: (i) requiring the participant to remit the amount of any such withholding obligations to Meadow Bay in advance; (ii) requiring the participant to reimburse Meadow Bay for any such withholding obligations; or (iii) causing a broker who sells such shares on behalf of the participant to withhold from the proceeds realized from such sale the amount required to satisfy any such withholding obligations, and remitting such amount directly to Meadow Bay. Eligible Participants under the Plan

Eligible Participants under the Plan

Options may be granted to:

(a) a director of Meadow Bay;

(b) a senior officer of Meadow Bay;

(c) an employee of Meadow Bay, which is an individual who (i) is considered an employee of Meadow Bay or its subsidiary under the Income Tax Act (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source); (ii) works full-time for Meadow Bay or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by Meadow Bay over the details and methods of work as an employee of Meadow Bay, but for whom income tax deductions are not made at source; or (iii) works for Meadow Bay or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by Meadow Bay over the details and methods of work as an employee of Meadow Bay, but for whom income tax deductions are not made at source;

(d) a management company employee, which is an individual employed by a person providing management services to Meadow Bay which are required for the ongoing successful operation of the business enterprise of Meadow Bay, but excluding a person engaged in investor relations activities;

(e) a consultant to Meadow Bay and its affiliates, which is an individual (or a corporation or partnership of which the individual is an employee, shareholder or partner), other than an employee, senior officer, management company employee or director of Meadow Bay that (i) is engaged to provide on an ongoing bona fide basis, consulting, technical management or other services to Meadow Bay or its affiliate other than services provided in relation to a distribution of securities; (ii) provides the services under a written contract between Meadow Bay or its affiliate and the individual or the consultant company; (iii) in the reasonable opinion of Meadow Bay, spends or will spend a significant amount of time and attention on the affairs and business of Meadow Bay or its affiliate; and (iv) has a relationship with Meadow Bay or its affiliate that enables the individual to be knowledgeable about the business and affairs of Meadow Bay;

(f) except in relation to consultant companies, a company that is wholly owned by individuals eligible for an option grant,

who are in the opinion of the administrator in a position to contribute to the success of Meadow Bay or any of its subsidiaries or who, by virtue of their service to Meadow Bay or any of its subsidiaries, are in the opinion of the administrator, worthy of special recognition.

Maximum Insiders are Entitled to Receive

Unless Meadow Bay obtains “disinterested shareholder approval”:

(a) the maximum aggregate number of Meadow Bay Common Shares that may be reserved for issuance to insiders of Meadow Bay under the Plan; and

(b) the maximum aggregate number of options granted to insiders of Meadow Bay under the Plan within a 12-month period,

may not exceed 10% of outstanding Meadow Bay Common Shares at the time of grant.

Maximum Any One Individual is Entitled to Receive

Unless Meadow Bay obtains "disinterested shareholder approval", the maximum aggregate number of Meadow Bay Common Shares that may be reserved under the Plan for issuance to any one person (and any companies wholly-owned by that person), in any 12-month period must not exceed 5% of the outstanding Meadow Bay Common Shares at the time of grant.

Maximum Any One Consultant is Entitled to Receive

The maximum aggregate number of Meadow Bay Common Shares that may be reserved under the Plan for issuance to any one consultant during any 12-month period must not exceed 2% of the outstanding Meadow Bay Common Shares at the time of grant.

Maximum Persons Retained to Provide Investor Relations Activities are Entitled to Receive

The maximum aggregate number of Meadow Bay Common Shares that may be reserved during any 12-month period under the Plan for issuance to all persons retained to provide investor relations activities must not exceed 2% of the outstanding Meadow Bay Common Shares at the time of grant.

Vesting of Options

Options issued to persons retained to provide investor relations activities will be subject to a vesting schedule of at least 12 months whereby no more than 25% of the options granted may be vested in any 3-month period. Options issued to optionees other than persons retained to provide investor relations activities may, at the discretion of the administrators, be subject to vesting conditions, such vesting conditions to be provided for in the option agreement to be entered into between Meadow Bay and the optionee. If there is a takeover bid made for all or any of the issued and outstanding Meadow Bay Common Shares, then all outstanding options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the optioned Meadow Bay Common Shares subject to such options to be issued and tendered to such bid. The vested portions of options will be exercisable, in whole or in part, at any time after vesting. If an option is exercised for fewer than all of the optioned Meadow Bay Common Shares for which the option has then vested, the option shall remain in force and exercisable for the remaining optioned Meadow Bay Common Shares for which the option has then vested, according to the terms of such option.

Terms of Options

The option period for an option shall be determined by the administrator at the time the option is granted and may be up to 10 years from the date the option is granted. At the time an option is granted, the administrator may determine that, with respect to that option, upon the occurrence of an optionee ceasing to be a director, senior officer, employee, management company employee, or consultant of Meadow Bay for any reason excluding termination for cause or death or on account of disability, there shall come into force a time limit for exercise of such option which is different than the option period, and in the event of such a determination, the option agreement for such option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum option period provided for under the Plan and subject to applicable regulatory requirements and approvals, the administrator may extend the option period of an outstanding option beyond its original expiration date (whether or not such option is held by an insider), provided such option has been outstanding for at least one year prior to such extension. If such expiry of the option period falls within a blackout period, the expiry of the option shall automatically be extended to the date which is 10 business days after the expiry of the blackout period, provided that the optionee or Meadow Bay is not subject to a cease trading order, or similar order under securities laws, in respect of Meadow Bay's securities.

Causes of Cessation of Entitlement

In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of Meadow Bay by reasons of such optionee's termination for cause, the option shall terminate and shall cease to be exercisable upon such termination for cause. In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of Meadow Bay by reason of such optionee's disability, any options held by such optionee that could have been exercised immediately prior to such cessation shall be exercisable by such optionee, or by his or her guardian, for a period of 30 days following the date of such cessation (if such optionee dies within that 30 day period, any option held by such optionee that could have been exercised immediately prior to his or her death shall pass to the qualified successor of such optionee, and shall be exercisable by the qualified successor until the earlier of 30 days following the death of such optionee and the expiry of the option period). In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of Meadow Bay by reason of such optionee's death, any options held by such optionee shall pass to the qualified successor of the optionee and shall be exercisable by such qualified successor until the earlier of one year following the date of such death and the original expiry date of such option.

Assignability of Options

Neither the options nor the benefits and rights of any optionee under any option or under the Plan shall be assignable or otherwise transferable, except as specifically provided under the Plan in the event of the death or disability of an optionee. During the lifetime of the optionee, all options may only be exercised by the optionee.

Amendment or Termination of the Plan

The Board reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding options granted under the Plan without the consent of the optionee. Any amendment to the Plan may also be subject to acceptance of such amendment or amended plan for filing by regulatory authorities and, if required, the approval of the shareholders.

Adjustments

Following the date an option is granted, the exercise price for and the number of Meadow Bay Common Shares which are subject to an option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out under the Plan, with the intent that the rights of optionees under their options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. If the outstanding Meadow Bay Common Shares are changed into or exchanged for a different number of Meadow Bay Common Shares or into or for other securities of Meadow Bay or securities of another company or entity, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the option which occurs following such events, for each optioned share for which the option is exercised, the optionee shall instead receive the number and kind of shares or other securities of Meadow Bay or other company into which such Meadow Bay Common Share would have been changed or for which such Meadow Bay Common Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the option is preserved.

SCHEDULE "I"

INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MEADOW BAY GOLD CORPORATION FOR THE THREE AND SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2019

[see attached]

MEADOW BAY GOLD CORPORATION

Interim Consolidated Financial Statements

September 30, 2019 and 2018

(Unaudited)

In accordance with National Instrument 51-102 Part 4, *Continuous Disclosure Obligations,* subsection 4.3(3)(a), **WE HERBY GIVE NOTICE** that our consolidated financial statements for the interim period ended September 30, 2019, which follows this notice, have not been reviewed by an auditor.

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Financial Position
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

	September 30 2019	March 31 2019
ASSETS		
Current assets		
Cash		$ 37,718
Other receivable	$ 24,713	16,591
Prepaid expenses	12,783	6,889
	37,496	61,198
Right to use asset (Note 3)	21,010	35,017
Assets held for sale (Note 4)	6,283,016	6,287,361
	$ 6,341,522	$ 6,383,576
LIABILITIES		
Current liabilities		
Bank indebtedness	$ 1,298	
Accounts payable and accrued liabilities	383,893	$ 310,439
Amounts payable to related parties (Note7)	50,270	50,350
Current portion of lease payable (Note 3)	21,922	28,627
	457,383	389,416
Long term Debt		
Lease payable (Note 3)	-	7,426
Convertible debenture units (Note 5)	303,540	-
	303,540	7,426
Liabilities held for sale (Note 4)	21,556	40,186
Total liabilities	782,479	437,028
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	35,048,332	35,048,332
Contributed surplus	7,172,447	7,140,174
Accumulated other comprehensive income	4,382,157	4,383,507
Deficit	(41,043,893)	(40,625,465)
	5,559,043	5,946,548
	$ 6,341,522	$ 6,383,576

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

Approved by:

"Robert Dinning" **, Director**
Robert Dinning

"Jordan Estra" **, Director**
Jordan Estra

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

	3 months ended		6 months ended	
For the Period Ended September 30	**2019**	**2018**	**2019**	**2018**
Operating expenses				
Consulting (Note 7)	31,500	31,500	63,000	62,500
Depreciation	7,003	7,003	14,007	14,006
Interest on convertible debentures	10,313	-	10,313	-
Interest on lease payments	367	806	869	1,711
Office and administration services	21,439	33,816	38,686	48,181
Professional fees	122,704	6,780	130,204	95,643
Trade shows and investor relations	10,593	700	10,721	700
Transfer agent and filing	16,072	14,634	22,920	24,655
Travel	3,430	3,146	4,371	7,618
	223,421	98,385	295,091	255,014
Loss for the period from continuing operations	(223,421)	(98,385)	(295,091)	(255,014)
Loss from discontinued operations	(105,036)	(99,176)	(123,337)	(120,123)
Net loss for the period	(328,457)	(197,561)	(418,428)	(375,137)
Other comprehensive income (loss) from discontinued operations				
Translation adjustment	104	(293,360)	(1,350)	75,591
Comprehensive loss for the period	$ (328,353)	$ (490,921)	$ (419,778)	$ (299,546)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	50,056,229	50,056,229	50,056,229	50,056,229

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

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Changes in Equity
Expressed in Canadian dollars
For the period from March 31, 2018 to September 30, 2019
(Unaudited – Prepared by Management)

	Share capital			Accumulated		Total
	Number of shares	Amount	Contributed Surplus	Other Comprehensive Income	Deficit	Shareholders' Equity
Balance, March 31, 2018	50,056,229	$ 35,048,332	$ 7,140,174	$ 3,760,470	$ (17,778,422)	$ 28,170,554
Net loss and comprehensive loss for the six-month period ended Sept 30, 2018	-	-	-	75,591	(382,859)	(307,268)
Balance, September 30, 2018	50,056,229	35,048,332	7,140,174	3,836,061	(18,161,281)	27,863,286
Net comprehensive loss for the period	-	-	-	547,446	(22,464,184)	(21,916,738)
Balance, March 31, 2019	50,056,229	35,048,332	7,140,174	4,383,507	(40,625,465)	5,946,548
Warrants issued on convertible debt	-	-	12,500	-	-	12,500
Convertible debenture option value	-	-	21,261	-	-	21,261
Issue cost allocated to equity	-	-	(1,488)	-	-	(1,488)
Net comprehensive loss for the six-month period ended Sept 30, 2019	-	-	-	(1,350)	(418,428)	(419,778)
Balance, September 30, 2019	50,056,229	$ 35,048,332	$ 7,172,447	$ 4,382,157	$ (41,043,893)	$ 5,559,043

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

MEADOW BAY GOLD CORPORATION
Interim Consolidated Statements of Cash Flows
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

For the Six-Month Period Ended September 30	2019	2018
Cash flows from (used in) continuing operating activities		
Net loss for the period	$ (295,091)	$ (255,014)
Items not affecting cash		
Depreciation	14,007	14,006
Interest on lease	869	1,711
Interest on convertible debentures	10,313	-
Net change in non-cash working capital items		
Other receivable	(8,122)	2,786
Prepaid expenses	(5,894)	5,812
Accounts payable and accrued liabilities	73,454	40,771
Amounts payable to related parties	(80)	-
	(210,544)	(189,928)
Cash flows from continuing financing activities		
Funds received from convertible debenture units	350,000	-
Transaction cost of debenture financing	(24,500)	-
Lease payments	(15,000)	(15,000)
	310,500	(15,000)
Cash flows used in discontinued operations		
From operating activities		
Net loss for the period	(123,337)	(120,123)
Depreciation	10,670	16,066
Prepaid expenses	(6,318)	(7,064)
Accounts payable	(19,987)	135
	(138,972)	(110,986)
From investing activities		
Expenditures on exploration and evaluation assets	-	(19,261)
	(138,972)	(130,247)
Decrease in cash during the period	(39,016)	(335,175)
Cash, beginning of period	37,718	508,434
Cash (indebtedness), end of period	$ (1,298)	$ 173,259

Supplemental Disclosure of Cash Flow Information

	2019	2018
Decrease in accounts payable included in exploration and evaluation assets	$ -	$ 19,291
Value of warrants issued with convertible debt	$ 12,500	$ -
Value of convertible option feature on convertible debt net of costs	$ 19,773	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Meadow Bay Gold Corporation (the "Company" or "Meadow Bay") was incorporated under the provisions of the British Columbia Business Corporations Act on March 8, 2005. The Company changed its name from Meadow Bay Capital Corporation on April 4, 2011. The Company's common shares are traded on the Canadian Securities Exchange ("Exchange") under the symbol "MAY".

The head office, principal address and records office of the Company are located at Suite 210 – 905 West Pender Street, Vancouver, BC, Canada V6C 1L6.

These interim 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. There are conditions and events which constitute material uncertainties that may cast significant doubt on the validity of this assumption. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used.

Management has estimated that the Company will have adequate funds from existing working capital and from anticipated financing yet to be completed that will be sufficient to meet corporate, administrative and other obligations during the year ending March 31, 2020. The Company has the ability to reduce its expenditures and therefore continue to operate with current working capital to meet administrative overhead commitments. However, to continue with exploration activities the Company will need to raise additional funds. During the year ended March 31, 2019 the Company did not raise any funds from private placements (2018 - $1,200,500 was raised). While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future. For the six months ended September 30, 2019, the company incurred a loss of $418,428, has accumulated losses of $40,043,893 and a working capital deficit of $419,887.

On September 25, 2019, the Company entered into a definitive share purchase agreement with Casino Gold Corp. ("Casino") (a privately-held Canadian corporation) whereby it sold its shares in Desert Hawk Resources Inc. ("Desert Hawk") for shares in Casino. Desert Hawk is the owner of the Atlanta Mine, the exploration and evaluation of which has heretofore represented the Company's operating business. The sale was approved by shareholders at the Company's annual general nad special meeting held on October 17, 2019. See Note 4 for an explanation of the changes that have been made to the financial statements as a result of this event.

Further, as discussed in Note 12, *Subsequent Events,* the Company has entered into an agreement which results in a fundamental change to the Company's business pursuant to the policies of the Canadian Securities Exchange (the "CSE").

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting of the International Financial Reporting Standards" ("IFRS").

The interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

The interim consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2019.

These interim consolidated financial statements include the accounts of the parent company and its wholly owned subsidiary, Desert Hawk Resources Inc. ("Desert Hawk"), a company incorporated in Nevada, USA. All significant intercompany balances and transactions have been eliminated.

These interim consolidated financial statements do not include all of the notes required for full annual financial statements. The significant accounting policies for the periods are consistent with those disclosed in the audited annual financial statements of the Company for the year March 31, 2019. The accompanying unaudited interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended March 31, 2019.

(b) Use of Estimates and Judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

(c) Accounting Standards, amendments and interpretations adopted April 1, 2019

The following amendments to existing standards were issued by the IASB and are effective for annual periods beginning on or after April 1, 2019. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from below:

IFRS 16, Leases - IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The Company had one lease- for office premises – which was affected by adopting this standard.

A retrospective adoption is required for IFRS 16 which may be accomplished in one of two ways. Either the entity restates comparative information to each prior reporting period presented applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; or, by retrospectively by adjusting the cumulative effect to opening retained earnings.

The Company adopted IFRS 16 by restating comparative information for the year ended March 1, 2019. On the March 31, 2019 statement of financial position, plant and equipment increased by $35,017 from $280,961 to $315,978; lease liability was recognized - $28,627 short term and $7,426 long term; and, closing deficit was increased $1,036 from $40,624,429 to $40,625,465 For the six-month period ended September 30, 2019, the following operating accounts were restated: depreciation increased by $14,007, interest on lease payments of $1,711 was recognized; and Office and administration services were reduced by $15,000. The net result was that the net loss for the three-month period increased $717 from $374,420 to $375,137. Comprehensive loss increased by the same amount from $298,829 to $299,546.

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

Expressed in Canadian dollars

3. RIGHT TO USE ASSETS AND LEASE LIABILITY

Effective April 1, 2018, the Company entered into a lease for its premises, expiring June 30, 2020. The monthly lease was $2,500. As revealed in Note 2(c), the Company is required to capitalize that lease, based on the net present value of the lease payments. Using a discount rate of 5.95%, $63,031 was recognized as a right to use asset for office premises and a similar amount was recognized as a lease liability. The asset was depreciated using the straight-line basis over the life of the lease.

Right to own assets	Sept 30, 2019	Mar 31, 2019
Value of asset recognized	$ 63,031	$ 63,031
	-	
Accumulated depreciation, beginning of period	28,014	-
Depreciation during the period	14,007	28,014
Accumulated depreciation, end of period	42,021	28,014
Carrying value	$ 21,011	$ 35,017

Future lease payments are as follows:	Sept 30, 2019	March 31, 2019
Total payments due in next year	$ 22,500	$ 30,000
Thereafter	-	7,500
Total payments	22,500	37,500
Less interest portion	(578)	(1,447)
Total payments on principal	21,922	36,053
Current principal payments	(21,922)	(28,627)
Long term portion	$ -	$ 7,426

4. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

As described in Note 1, the Company has committed to disposing of its interest in Desert Hawk and accordingly, has classified the assets and liabilities or that entity, which hereto for had been reported on a consolidated basis, into assets and liabilities held for sale. Previous year balances have been similarly reclassified for comparative purposes. A breakdown of is as follows:

	Sept 30, 2019	Mar 31, 2019
Assets held for sale		
Cash	$ 1,906	$ 1,899
Prepaid expenses	10,819	4,501
Equipment	270,291	280,961
Exploration and evaluation assets	6,000,000	6,000,000
Carrying value	$ 6,283,016	$ 6,287,361
Liabilities held for sale		
Accounts payable	$ 21,556	$ 40,186

In a similar manner, expenses that relate to the operations of Desert Hawk have been grouped, totaled and disclosed in the statement of operations as being from discontinued operations.

Expressed in Canadian dollars

A breakdown of discontinued operations is as follows:

	3 months ended		6 months ended	
For the period ended Sept 30	2019	2018	2019	2018
Claim maintenance	$ 91,240	$ 83,518	$ 91,240	$ 83,518
Depreciation	-	8,1022	8,102	16,066
Office and administrative services	13,796	7,556	24,046	20,539
Loss from discontinued operations	$ 105,036	$ 99,176	$ 123,337	$ 120,123

5. DEBENTURE UNITS PAYABLE

On July 12, 2019, the Company closed the first tranche of a bridge loan financing, raising $350,000 by way of the sale of 350 convertible debenture units (the “Convertible Debenture Units”) to Mountain Valley MD Inc. (“MVMD”). Each convertible debenture unit consisted of one secured convertible debenture of the Company (a “Convertible Debenture”) in the principal amount of $1,000 and 1,000 share purchase warrants of the Company (the “Convertible Debenture Warrants”). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a “Resulting Issuer Share”) of the resulting issuer upon completion of the Proposed Transaction at a price of $0.06 ($0.48, post-consolidation) per Resulting Issuer Share for a period of five years. Each convertible debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer (“Conversion Units”) at a price of $0.05 per conversion unit ($0.40, post-consolidation). Each conversion unit will consist of one Resulting Issuer Share and one share purchase warrant (a “Conversion Warrant”), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.06 ($0.48, post-consolidation) per Resulting Issuer Share for a period of five years. The Company granted MVMD a right of first refusal to subscribe for up to an additional 150 Convertible Debenture Units for an aggregate purchase price of up to $150,000.

The Company paid MVMD a 7% loan administration fee in cash in the amount of $24,500 in connection with the Bridge Loan Financing. All securities issued or issuable pursuant to the Bridge Loan Financing are subject to a hold period of four months and a day in accordance with applicable securities legislation, expiring on November 12, 2019. The proceeds of the Bridge Loan Financing will be used to pay the Company’s professional fees and working capital expenditures.

The convertible debentures was accounted for a having a financial liability and an equity instrument. The financial liability, which represents the obligation to pay coupon interest in the future is initially measured at fair value and subsequently measured at amortized costs. The residual amount is accounted for as an equity instrument at issuance. Costs incurred were capitalized and allocated based on the relative value of the liability and equity.

The value of the warrants was determined using the Black Scholes valuation model with the following assumptions: Risk free interest rate – 1.10%; Expected life of warrants – 5 years; Annualized volatility – 72.67%; Dividend rate – 0%.

Interest has been accrued at the effective rate of 12.73%.

Debenture units consist of the following as at September 30, 2019:

Principal amount issued	$ 350,000
Conversion option	(21,261)
Warrants	(12,500)
Transaction costs	(24,500)
Less costs allocated to equity	1,488
Accrued interest	10,313
Carrying value	$ 303,540

Expressed in Canadian dollars

6. SHARE CAPITAL

(a) The authorized capital of the Company consists of:

Unlimited number of common shares without par value.

(b) The Company's issued and outstanding capital stock is as follows:

As at September 30, 2019 and 2018, there were 50,056,229 issued common shares.

The Company did not have any share transactions during the six months ended September 30, 2019 or the year ended March 31, 2019

(c) Stock Options

Upon approval of the Company's shareholders, the Company has adopted an incentive rolling stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan up to a maximum of 10% of the un-issued and outstanding shares of the Company at any time, less shares required to be reserved with respect to options granted by the Company prior to the implantation of the Plan. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the Exchange on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies.

There were no stock options granted during the six months ended September 30, 2019 or the year ended March 31, 2019.

A summary of the status of the Company's outstanding stock options as September 30, 2019 is as follows:

Options Outstanding	Number of Shares	Exercise Price	Expiry Date
306,250	306,250	$0.76	March 11, 2020
37,500	37,500	$0.80	August 17, 2020
700,000	700,000	$0.08	November 16, 2020
2,000,000	2,000,000	$0.20	December 7, 2020
550,000	550,000	$0.34	July 27, 2021
3,593,750	3,593,750		

The following is a summary of stock option issues and outstanding is as follows:

	Options Outstanding #	Weighted Average Price
Balance, exercisable and outstanding March 31, 2018	3,987,500	$ 0.31
Expired	(125,000)	$ 0.94
Balance, exercisable and outstanding March 31, 2019	3,862,500	$ 0.29
Expired	(268,750)	$ 0.73
Balance, exercisable and outstanding September 30, 2019	3,593,750	$ 0.25

Expressed in Canadian dollars

The weighted average remaining life of the options as at September 30, 2019 is 1.21 years.

(d) Warrants

A summary of the status of the Company's outstanding warrants as at September 30, 2019 is as follows:

Warrants	Number of shares upon exercise	Exercise Price	Expiry Date
1,302,025	1,302,025	$ 0.24	March 7, 2021
1,036,492	1,036,492	$ 0.28	April 29, 2021
1,511,001	1,511,001	$ 0.28	July 25, 2021
1,100,254	1,100,254	$ 0.24	December 16, 2021
9,026,000	9,026,000	$ 0.10	* November 10, 2019
4,840,000	4,840,000	$ 0.10	* November 16, 2019
18,815,772	18,815,772	$ 0.14	

* Expired unexercised.

The following is a summary of warrant transactions for the six-month period ended September 30, 2019 and for the year ended March 31, 2019:

	Warrants Outstanding #	Weighted Average Exercise Price
Balance, exercisable and outstanding March 31, 2018	19,107,525	$ 0.12
Expired	(291,753)	$1.00
Balance, exercisable and outstanding March 31, 2019 and September 30, 2019	18,815,772	$0.14

The weighted average remaining life of warrants as at September 30, 2019 is 0.55 years.

7. RELATED PARTY BALANCES AND TRANSACTIONS

The following table summarizes services provided by directors and officers of the Company not otherwise noted in the financial statements for the six-month periods ended September 30, 2019 and 2018.

For the six months ended September 30	2019	2018
Consulting fees paid or accrued to -	$	$
CEO/president	45,000	45,000
CFO	18,000	17,500

Balances due to related parties as at September 30, 2019 of $50,270 (March 31, 2019 - $50,350) represent amounts owing to officers and directors and companies owned by officers and directors. Balances due to related parties are non-interest bearing, are due on demand and bear no specific terms of repayment.

8. FINANCIAL INSTRUMENTS

(a) **Fair values**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and amounts payable to related parties. Cash is classified as loans and receivables and is carried at amortized costs. Accounts payable and accrued liabilities and amounts payable to related parties are classified as other financial liabilities and are carried at their amortized cost.

The carrying value of the Company's financial assets and liabilities approximates their fair value due to the relatively short periods to maturity of these investments. Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used estimate the fair values. The three levels of the fair value 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 that are not based on observable market data.

There have been no changes between levels during the six-month period ended September 30, 2019 or the year ended March 31, 2019.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash is exposed to credit risk. The Company has assessed the credit risk on its cash as low as its funds are held in highly rated Canadian financial institutions. As at September 30, 2019 and March 31, 2019 all cash was within the federally insured limit.

(c) 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 by maintaining adequate cash balances and by raising equity financing. The Company has no assurance that such financing will be available on favourable terms. The Company believes it is subject to liquidity risk through its working capital. In general, the Company attempts to avoid exposure to liquidity risk by obtaining corporate financing through the issuance of common shares. As at September 30, 2019, the Company had cash indebtedness of $1,298 to settle accounts of $457,383 which fall due for payment within twelve months of the balance sheet date.

(d) Foreign exchange risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has material transactions designated in a foreign currency. However, the foreign currency has been very stable when compared to the Canadian dollar and therefore management considers the foreign exchange risk to be minimal.

At September 30, 2019, approximately $173,000 in accounts payable and accrued charges were denominated in U.S. dollars. A 10% variation in the U.S. dollar would result in an impact of approximately $17,300 on net income.

(e) 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 the market interest rates. The Company's cash is currently held in cash and therefore management considers the interest rate risk to be minimal.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, contributed surplus and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended March 31, 2019.

10. COMMITMENTS

(a) The Company has a lease on premises at a net rent of $2,500 per month. The lease expires on June 30, 2020.

(b) On June 28, 2019, the Company announced it has entered into an Amalgamation Agreement with Mountain Valley MD Inc. ("MVMD") and 2700915 Ontario Inc., a newly incorporated wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis (the "Proposed Transaction"). The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the Canadian Securities Exchange (the "CSE").

Mountain Valley MD Inc. is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world's leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a license to produce and sell high-quality strains of medical grade cannabis in British Columbia.

MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

11. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the properties purchased from Desert Hawk, which are in Nevada USA. After the sale of Desert Hawk, the Company will not have a reportable operating segment.

12. SUBSEQUENT EVENTS

(a) On October 8, 2019, pursuant to the proposed transaction, the Company announced that it has closed the second tranche of the bridge loan financing as disclosed in Note 5, *Debenture Units Payable.* The financing raised gross proceeds of $350,000 with the issue of 350 convertible debenture units. All terms remained the same as the first tranche, described in Note 5, *Debenture Units Payable.*

(b) On November 18, 2019, The Company announced that it had closed the sale of all of the Company's shares in Desert Hawk Resources Inc. ("Desert Hawk") (and thereby the Atlanta Gold Mine project in Lincoln County, Nevada) to Casino Gold Corp. ("Casino Gold"). Casino Gold is a Toronto-based private gold exploration company that holds gold exploration projects in the Battle Mountain Trend in Nevada. Casino Gold also currently holds 46.29% of the issued and outstanding shares of Victory Metals Inc. (TSX-V: ECC), which owns a 100% interest in the Iron Point Vanadium Project located 22 miles east of Winnemucca, Nevada. As consideration for the purchase of Desert Hawk, Casino Gold issued to Meadow Bay 10,000,000 common shares in its capital (the "Casino Gold Shares"), which currently represents approximately 5.8% of Casino Gold's issued and outstanding shares.

SCHEDULE "J"

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF MEADOW BAY GOLD CORPORATION FOR THE THREE AND SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2019

[see attached]

MEADOW BAY GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts, constitute forward looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise such forward looking statements, as a result of new information, future events or otherwise.

MANAGEMENTS DISCUSSION AND ANALYSIS

November 29, 2019

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Meadow Bay Gold Corporation ("Meadow Bay") financial statements. The statements are provided for the purpose of reviewing the second quarter of fiscal 2020 and comparing results to the previous period. The MD&A should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the fiscal years ending March 31, 2019 and 2018.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

The management of Meadow Bay is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The board of directors of Meadow Bay follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The audit committee of Meadow Bay meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS

Meadow Bay was incorporated in British Columbia under the laws of the Business Corporations Act on March 8, 2005. The Company was listed for trading on the TSX Venture Exchange (TSX.V) as a Capital Pool Company on September 18, 2006. The Company currently trades on the Canadian Securities Exchange (CSE) under the symbol “MAY.CN”

On January 21, 2011, the Company entered into a Letter of Intent (“LOI”) to acquire all of the issued and outstanding common stock of Desert Hawk Resources Inc. (“Desert Hawk”), a private Delaware corporation. The Company also launched a private placement financing that closed March 1, 2011 with the sale of 11,313,750 common shares at $1.00US. The purchase of Desert Hawk was completed on March 1, 2011.

Desert Hawk is a mining and exploration company with a gold project in Nevada called the Atlanta Gold and Silver Mine, a former producing gold and silver mine. The Atlanta Mine produced 1.5 million tons of ore containing 0.09 ounces gold/ton and 1.25 ounces silver/ton and recovered 121,000 ounces of gold and 800,000 ounces of silver during the period 1975 to 1985 based on historical records. A National Instrument 43-101 resource estimation was prepared by Gustavson LLC in March 2013 and subsequently filed on SEDAR. The Company also received an initial in-pit resource estimate prepared by Gustavson LLC. The in-pit resource incorporated additional drilling in 2015.

On June 28, 2019, the Company entered into an amalgamation agreement with Mountain Valley MD Inc. (“MVMD”) which constitutes a fundamental change of Meadow Bay pursuant to the policies of the CSE. MVMD is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world’s leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a licence to produce and sell high-quality strains of medical grade cannabis in British Columbia. MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

Once the transaction is completed and subject to CSE approval, MVMD with its cannabis operation will become the operating segment of Meadow Bay.

In anticipation of this change, on November 18, 2019, Meadow Bay closed the sale of all the shares of Desert Hawk (and thereby the Atlanta Gold and Silver Mine) to Casino Gold Corp., (“Casino”) a Toronto-based private gold exploration company that holds gold exploration projects in the Battle Mountain Trend in Nevada as well as holding 46.29% of the issued and outstanding shares of Victory Metals Inc. (TSX-V: ECC), which owns a 100% interest in the Iron Point Vanadium Project located 22 miles east of Winnemucca, Nevada. Meadow Bay received 10,000,000 common shares of Casino, which currently represents approximately 5.8% of Casino’s Gold’s issued and outstanding shares.

As a result of these agreements, Meadow Bay currently does not have an operating segment as it awaits approval and final closing of its agreement with MVMD. Accordingly, all references to the previous operations of Desert Hawk will not be part of this discussion and analysis. Desert Hawk's assets and liabilities have been grouped on the statement of financial position under the caption *Held for Sale.* Expense items on the statement of operations have been grouped under the caption *Loss from discontinued operations.*

OVERALL PERFORMANCE

During the six months ended September 30, 2019, the Company incurred a net loss from continuing operations of $295,091 (2018 - $255,014). During the quarter ended September 30, 2019, the Company incurred a net loss from continuing operations of $223,421 (2018 - $98,385).

SELECTED ANNUAL INFORMATION – FROM CONTINUING OPERATIONS ONLY

	Year ended March 31, 2019 $	Year ended March 31, 2018 $	Year ended March 31, 2017 $
Total revenues	-	-	-
Net loss for the year	(449,041)	(768,846)	(541,628)
Net loss per share, basic and diluted	(0.03)	(0.02)	(0.02)
Total assets	96,215	547,393	201,450
Total working capital (deficit)	(264,574)	363,472)	(384,591)
Shareholder's equity	27,091,096	27,539,101	26,638,535

RESULTS OF OPERATIONS

For the three months ended September 30, 2019 ("2019") compared to the same quarter for the previous year – three months ending September 30, 2018 ("2018"):

Total operating expenses from continuing operations amounted to $223,421 in 2019 compared to $98,385 in 2018. In both years, there was no revenue or other items. The expenses were $125,036 more in 2019, which represents an increase of more that 127% from 2018.

The account representing the majority of the difference was *Professional fees*, which was $115,924 more in 2019 than in 2018 ($122,704 v $6,780). The increase arose from the legal services required to complete the two agreements mentioned earlier – the share transaction with MVMD and sale of Desert Hawk's shares to Casino. *Consulting expenses* were unchanged, reflecting $31,500 for management fees to the CEO and CFO. *Depreciation* was likewise unchanged, representing the depreciation on the capitalized lease. As a result of new debenture financing there was *interest on convertible debentures* of $10,313 in 2019 v $0 in 2018. *Interest on lease payment*s were $367 in 2019 compared to $806 in 2018. *Office and administration services* were reduced by $12,377 2019 ($21,439 v $33,816). *Trade shows and investor relations* were $10,593 compared to. $700 in 2018. This increase arose mainly from the cost of the shareholder meeting required to effect the sale of Desert Hawk. *Transfer agent and filing fees* were $16,072 in 2019 compared to $14,634 in 2018. Travel was virtually unchanged - $3,430 in 2019 compared to $3,146 in 2018.

For the six months ended September 30, 2019 (“2019”) compared to the same period for the previous year – six months ending September 30, 2018 (“2018”):

Total operating expenses from continuing operations amounted to $295,091 in 2019 compared to $255,014 in 2018. In both years, there was no revenue or other items. The expenses were $40,077 more in 2019, which represents an increase of more that 15% from 2018.

The six-month results mirror the three-month results with one exception. In 2018 there were significant legal fees incurred in the first quarter of the year ($81,363) as the Company required legal services to review various financing proposals.

SUMMARY OF QUARTERLY RESULTS:

Effective April 1, 2019, the Company adopted *IFRS 16, Leases*, the effect of which was to capitalize the lease on premises as a right to use asset and recognize future lease payments as a liability. A retroactive adoption was required and the following quarterly results for the past eight quarters have been adjusted for the change in accounting for leases.

	Sept 30 2019 $	**June 30 2019** $	**March 31 2019** $	**Dec 31 2018** $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(223,421)	(71,670)	(23,340,403)	(78,395)
Net income (loss)	(328,457)	(89,971)	(23,379,961)	(94,944)
Loss per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.47)	(0.00)	(0.00)
Net income (loss) per share	(0.00)	(0.47)	(0.00)	(0.00)

	Sept 30 2018 $	June 30 2018 $	March 31 2018 $	Dec 31 2017 $
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(85,403)	(169,612)	(145,947)	(447,694)
Net income (loss)	(189,868)	(185,270)	(184,622)	(453,065)
Loss per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.01)	(0.01)	(0.01)
Net income (loss) per share	(0.00)	(0.01)	(0.01)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES – CONTINUING OPERATIONS

As at September 30, 2019, the Company had a cash shortfall of $1,298 compared to $37,718 as at March 31, 2019. The Company had a working capital deficit of $419,887 as at September 30, 2019 compared to a working capital deficit of $328,218 as at March 31, 2019.

There were no share transactions that occurred during the six-month period ending September 30, 2019. However, on July 12, 2019, the Company completed the first tranche of a bridge loan financing (the "Bridge Loan Financing"), raising gross proceeds of $350,000 by way of the sale of 350 convertible debenture units (the "Convertible Debenture Units") to MVMD. Each Convertible Debenture Unit consisted of one secured convertible debenture of the Company (a "Convertible Debenture") in the principal amount of $1,000 and 1,000 share purchase warrants of the Company (the "Convertible Debenture Warrants"). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a "Resulting Issuer Share") of the resulting issuer upon completion of the Proposed Transaction (the "Resulting Issuer") at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. Each Convertible Debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer ("Conversion Units") at a price of $0.05 per Conversion Unit ($0.40, post-Consolidation). Each Conversion Unit will consist of one Resulting Issuer Share and one share purchase warrant (a "Conversion Warrant"), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. The Company granted MVMD a right of first refusal to subscribe for up to an additional 150 Convertible Debenture Units for an aggregate purchase price of up to $150,000. Meadow Bay paid MVMD a 7% loan administration fee in cash in the amount of $24,500 in connection with the Bridge Loan Financing. All securities issued or issuable pursuant to the Bridge Loan Financing are subject to a hold period of four months and a day in accordance with applicable securities legislation, expiring on November 12, 2019. The proceeds of the Bridge Loan Financing will be used to pay Meadow Bay's professional fees and working capital expenditures.

On October 8, 2019, the Company closed the second tranche of convertible debentures for gross proceeds of $350,000 with the issue of 350 convertible debenture units. All terms remained the same as the first tranche described above.

During the year ending March 31, 2019, the Company did not have any share transactions:

As at September 30, 2019 and ignoring liabilities held for sale, the Company's debt consists of current liabilities of $457,383 and convertible debenture units of $303,540. (Principal debt of the convertible units is actually $350,000).

Even with the proceeds from the second debenture tranche, management believes it will require further financing in order to continue operation and transition into the cannabis operation as envisioned with the agreement with MVMD. The annual and interim financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally-imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the six months ended September 30, 2019 as compared to the six months ending September 30, 2018:

a) Consulting fees paid or accrued to the President/CEO of the Company of $45,000 v. $45,000 for 2018;

b) Consulting fees paid or accrued to the CFO of $18,000 v. $8,500 for 2018;

The Company owed the following amounts to related parties as at the year end of:

	September 30, 2019	March 31, 2019
Robert Dinning, CEO	$ 37,645	$ 34,600
Keith Margetson, CFO	$ 12,625	$ 15,750

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to determination of stock-based compensation, impairment of assets, and future income taxes. Actual results could differ from these estimates.

FUTURE ACCOUNTING CHANGES

The Company adopts new pronouncements relating to generally accepted accounting principles applicable to the Company as they are issued, which may be in advance of their effective date. Management does not believe that any recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the accompanying financial statements.

FINANCIAL INSTRUMENTS

The Company classified its cash as loans and receivables and is carried at amortized costs. Accounts payable and accrued liabilities and accounts payable to related parties are classified as other financial liabilities, which are measured at amortized cost. The carrying values of the Company's financial assets and liabilities approximate their fair value due to the relatively short periods to maturity of these investments.

The Company's financial instruments and risk exposures are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash and cash equivalents is minimal as they are held with a high-credit quality financial institution. As at June 30, 2019, no amount of cash was over the federally insured limit.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had current assets of $34,496 to settle current liabilities of $457,383. All of the Company's accounts payable have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

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

(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 the market interest rates. The interest rate risks on cash is not considered significant

(b) Foreign exchange rate risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have material transactions designated in a foreign currency and therefore management considers the foreign exchange risk to be minimal. At September 30, 2019, approximately $173,000 in accounts payable and accrued charges were in US dollars. A 10% variation in the US dollar would result in an impact of approximately $17,300 on net income.

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	50,056,229
Stock options	3,593,750
Warrants	4,949,772
	58,599,751

RISK AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural mineral properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral property, which is at very early stages of exploration, the following risk factors, amongst others, apply:

<u>Negative Operating Cash Flow</u>

Since inception, the Company has had negative operating cash flow. The Company has incurred losses since its inception. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the Properties and administrative costs. The Company cannot predict when it will reach positive operating cash flow.

<u>Equity Market Risk</u>

The Company raises money in the equity markets which can fluctuate significantly. If the appetite for equity financing is curtailed it may be difficult or impossible to raise additional equity. This could have a negative effect on the Company and its ability to operate. These factors are beyond the control of management.

<u>Reliance on Management</u>

The Company relies on its management to execute its business plan. If members of the management team should become unavailable for any reason the Company could experience difficulties in executing its plans.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets”, “may”, “will” and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

EFFECTIVENESS OF DISCLOSURE CONTROLS

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company’s disclosure controls as of March 31, 2019. They have concluded that the Company’s disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com. Additional financial information concerning the Company is provided in its audited comparative financial statements and management’s discussion and analysis for the Company’s most recently completed financial year. Copies of this information are available by contacting the Company at its offices located at Suite 210 - 905 West Pender Street, Vancouver, BC, V6C 1L6; phone 604-641-4450 or 604-682-2928; fax 1-855-557-4622 or 604-685-6905.

SCHEDULE "K"

INTERIM REVIEWED CONSOLIDATED FINANCIAL STATEMENTS OF MOUNTAIN VALLEY MD INC. FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

[see attached]

MOUNTAIN VALLEY MD INC.

Unaudited Interim Condensed Consolidated Financial Statements
For the three months period ended June 30, 2019
(Expressed in Canadian Dollars)

REVIEW ENGAGEMENT REPORT

To the Shareholders of Mountain Valley MD Inc:

We have reviewed the statement of financial position of Mountain Valley MD Inc as at June 30, 2019 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Other Matter

The financial statements of Mountain Valley MD Inc. as at and for the year ended March 31, 2019 were audited by another accountant who expressed an unmodified opinion on those statements on August 20, 2019.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Mountain Valley MD Inc as at June 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A.R.T. Tax and Audit

Surrey, British Columbia
December 4, 2019

A.R.T. Tax and Audit
Chartered Professional Accountant

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	June 30, 2019	March 31, 2019
ASSETS			
CURRENT			
Cash and cash equivalents		**$ 4,680,989**	$ 9,086,662
GST/HST recoverable		**32,969**	21,012
Deposit - acquisition	7	**-**	100,000
Prepaid expenses and deposits	5	**94,254**	73,035
Note receivable	8	**-**	817,574
		4,808,212	10,098,283
NON-CURRENT			
Long term investments	7	**9,002,531**	-
Property	9	**1,390,000**	1,390,000
		10,392,531	1,390,000
		$ 15,200,743	$ 11,488,283
LIABILITIES AND DEFICIT			
CURRENT			
Accounts payable and accrued liabilities	12	**$ 252,249**	$ 224,337
Mortgage payable	10	**310,000**	310,000
		562,249	534,337
DEFICIT			
Share capital	11	**15,901,478**	11,840,978
Subscriptions received	11	**-**	10,000
Deficit		**(1,262,984)**	(897,032)
		14,638,494	10,953,946
		$ 15,200,743	$ 11,488,283

GOING CONCERN (Note 2)
COMMITMENTS AND CONTINGENT LIABILITIES (Note 15)
SUBSEQUENT EVENTS (Note 16)

Approved on behalf of the Board:

______________________ Director

See accompanying notes to the interim condensed financial statements

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note		Three month period ended June 30, 2019
EXPENSES			
Business development and travel	12	$	63,239
Consulting fees	12		99,893
Expenses related to proposed greenhouse			16,071
Mortgage interest			6,936
Office and miscellaneous			7,536
Professional fees			161,777
Rent			10,500
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		$	365,952
BASIC AND DILUTED LOSS PER SHARE		$	(0.00)
Weighted average number of shares outstanding			193,949,552

See accompanying notes to the interim condensed financial statements

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note	Class A Number of shares	Class A Share capital	Class B Number of shares	Class B Share capital	Subscriptions received	Deficit	Total
			$		$	$	$	$
Balance as at March 31, 2019		70,625,200	737,501	112,217,807	11,103,477	10,000	(897,032)	10,953,946
Shares issued for investment	7, 11	-	-	16,000,000	3,200,000	-	-	3,200,000
Shares issued for services	11	-	-	325,000	65,000	-	-	65,000
Shares issued for private placement	11	-	-	3,977,500	795,500	(10,000)	-	785,500
Net loss for the period		-	-	-	-	-	(365,952)	(365,952)
Balance as at June 30, 2019		70,625,200	737,501	132,520,307	15,163,977	-	(1,262,984)	14,638,494

See accompanying notes to the interim condensed financial statements

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Cash flows
(Expressed in Canadian Dollars)

	Note		For the Three Month Period Ended, June 30, 2019
Operating activities:			
Net loss and comprehensive loss for the period		$	(365,952)
Changes in non-cash operating working capital			
GST recoverable			(11,957)
Prepaid expenses and deposits			(21,219)
Accounts payable			92,912
Net cash used in operating activities:			(306,216)
Investing activities:			
Long term investments	7		(4,984,957)
Deposit - acquisition	7		100,000
Net cash used in investing activities:			(4,884,957)
Financing activities:			
Issuance of share capital	11		785,500
Net cash used in finance activities:			785,500
Net change in cash			(4,405,673)
Cash - Beginning of period			9,086,662
Cash - End of period		$	4,680,989
Non-cash transactions:			
Shares issued for equity in long term investments	7	$	4,017,574
Shares issued for professional services			65,000

See accompanying notes to the interim condensed financial statements

1. CORPORATE INFORMATION

Mountain Valley MD Inc. ("MVMD" or the "Company"), was incorporated under the laws of the province of Ontario on October 26, 2018. MVMD is a private corporation. The nature of operations involves investing in strategically positioned companies operating in normalized cannabis markets.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern (see note 2).

The address of the Company's corporate office and principal place of business is 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

2. GOING CONCERN

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. The Company is in the start up phase, it incurred a loss of $365,952 during the three-month period ended June 30, 2019 and, as of that date, the Company's deficit was $1,262,984. The Company is dependent on its ability to raise additional debt, equity and/or to generate revenue from operations to raise sufficient cash resources to execute its business plans. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $3,820,880 and cash equivalents of $860,109, at June 30, 2019 to meet current financial obligations of $562,249. Management believes that the Company has sufficient working capital to maintain operations for the next 12 months.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

a) Statement of compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The sole director of the Company approved the financial statements on November 6, 2019.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of condensed interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

b) Summary of significant accounting policies

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual d financial statements. For a complete summary of significant accounting policies, please refer to the Company's audited annual financial statements for the year ended March 31, 2019 and 2018.

c) Accounting standards adopted during the period

IFRS 16 was issued on January 13, 2016, and is effective for accounting periods beginning on or after January 1 2019. The standard sets out a new model for lease accounting. There was no significant impact to the Company on the adoption of this standard on April 1, 2019.

d) Use of estimates and judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies and significant estimates and assumptions made are as follows:

Assessment of impairment indicators
Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required. The information considered in assessing whether there is an indicator of impairment or impairment reversal includes, but is not limited to, market transactions for similar assets, commodity prices, interest rates, inflation rates, the Company's market capitalization and operating results.

Going concern
Management has made the determination that the Company will continue as a going concern for the next year.

(Expressed in Canadian Dollars)

4. SHARE EXCHANGE AGREEMENT

On January 10, 2019, the Company entered into a share exchange agreement (the “SEA”) with Mountain Valley Medicinals Inc. (“MVM”), a private company incorporated under the laws of the province of British Columbia, and the shareholders of MVM to purchase all of the issued and outstanding common shares of MVM from the MVM shareholders in exchange for 54,206,148 Class B common shares of MVMD valued at $1,496,564.

The Company has recorded the acquisition of MVM as an asset acquisition as follows:

Purchase price consideration:	
Class B common shares issued	$ 1,496,564
Assets acquired and liabilities assumed:	
Cash	375,385
GST/HST receivable	19,347
Prepaid expenses and deposits	80,832
Building	1,390,000
Accounts payable and accrued liabilities	(59,000)
Mortgage payable	(310,000)
	$ 1,496,564

5. PREPAID EXPENSES AND DEPOSITS

As at June 30, 2019, prepaid expenses and deposits are made up of the following amounts:

	June 30, 2019
	$
Prepaid expenses	56,941
Deposits	37,313
	94,254

6. AMALGAMATION AGREEMENT

On June 28, 2019, MVMD entered into an amalgamation agreement with Meadow Bay Gold Corporation ("MBGC"), a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and a wholly-owned Ontario subsidiary of MBGC ("Subco") to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" between MBGC, MVMD and Subco (the "Amalgamation") to form a new corporation ("Amalco") in accordance with the provisions of the Business Corporations Act (Ontario) (the "OBCA"). Pursuant to the amalgamation agreement:

- MBGC will consolidate its issued and outstanding common shares on an 8 pre-consolidation common shares for 1 post-consolidation share basis prior to completion of the Amalgamation;
- MVMD will subscribe for 350 MBGC convertible debenture units *(subscribed for on July 11th and $350,000 paid*) upon MBGC's satisfaction of the MBGC financing conditions (being a detailed description of the use of proceeds) subject to the MBGC financing fee. Each unit is comprised of one MBGC convertible debenture in the principal amount of $1,000 bearing interest at 10% per annum to be accrued and having a maturity date of four years and 1,000 MBGC convertible debenture warrants with each warrant being exercisable for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06. Each unit is convertible into one pre-consolidation common share and one warrant of MBGC with each warrant being convertible into one pre-consolidation common share of MBGC for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06;
- MBGC may proceed with a potential private placement offering of up to an additional 150 MBGC convertible debenture units to raise additional gross proceeds of up to a maximum of $150,000 with MVMD having a right of first refusal;
- MVMD will complete a private placement; and
- if MVMD terminates the amalgamation agreement because of an uncured breach by MBGC and MBGC consummates an acquisition transaction within one year of the date of termination, MBGC will pay a $500,000 break fee to MVMD.

Completion is subject to all required consents, orders and approvals, including, without limitation regulatory approvals required, necessary or desirable for the completion of the proposed transactions.

On the effective date of the amalgamation:

- Subco and MVMD will amalgamate to form Amalco and will continue on as one corporation under the OBCA;
- every MVMD Class A and Class B common share prior to the amalgamation will receive one post-consolidation MBGC share;
- every Subco share prior to the amalgamation will receive one Amalco share; and
- the name of Amalco will be Mountain Valley MD Inc. or such other name as otherwise agreed to.

(Expressed in Canadian Dollars)

7. INVESTMENTS

	June 30, 2019
	$
Colombian Privco (a)	7,000,000
UK Privco (b)	184,957
US Privco (c)	1,817,574
	9,002,531

a) Colombian Privco

On April 4, 2019, MVMD entered into a subscription and share purchase agreement (the "SSPA") with Colombian Privco. Pursuant to the SSPA:

- MVMD subscribed for 17,892,248 common shares (representing 10% post subscription) of Colombian Privco (*issued to MVMD (Colombia) Inc. on April 11th*) for an aggregate subscription price of $2,800,000 (*paid on April 11th)*;
- MVMD agreed to purchase an additional 26,838,372 common shares of Colombian Privco (representing 15% post subscription) from existing shareholders of Colombian Privco (*transferred to MVMD (Colombia) Inc. on April 11th*) for an aggregate purchase price of $4,200,000 payable as follows:
    - a cash payment of $2,000,000 (*paid on April 11th*); and
    - $2,200,000 in common shares of the Company at a deemed price equal to $0.20 per share (*11,000,000 Class B common shares issued on April 11th*);
- the $100,000 deposit paid by MVMD pursuant to the LOI (see note 16) will be returned to MVMD (*received on April 4th*); and
- MVMD is granted a right of first refusal to enter into a supply agreement for export of product to Australia and the United States; and
- for a period of one year, Colombian Privco is granted a right of first refusal to enter into an agreement with MVMD for the export of product to any territory in the world, excluding Canada and any countries where export of the product is not prevented by applicable laws.

On April 11, 2019, the Company paid $2,000,000 and issued 11,000,000 Class B common shares to existing shareholders of Colombian Privco pursuant to the SSPA with Colombian Privco and its shareholders.

On April 11, 2019, the Company incorporated MVMD (Colombia) Inc. under the laws of the province of Ontario and pursuant to Colombian Privco's shareholders agreement dated August 18, 2017, MVMD (Colombia) Inc. entered into a joinder agreement as a joining shareholder of Colombian Privco.

b) UK Privco

On May 9, 2019, MVMD entered into a subscription letter with a company in the United Kingdom ("UK Privco") that is an established, fully integrated European-based medical cannabis company. Pursuant to the subscription letter, MVMD applied for 700,000 ordinary shares of UK Privco (*received on June 18th*) for a subscription price of £105,000 ($184,958).

On May 13, 2019, the Company paid $184,958 pursuant to the subscription letter with UK Privco.

7. INVESTMENTS (Continued)

c) <u>US Privco</u>

On June 10, 2019, MVMD entered into a Subscription Agreement with US Privco and acquired 1,333,333 common shares of US Privco, representing 10% of the issued and outstanding shares of US Privco, by way of conversion of a promissory note in the amount of USD600,000 (see note 8).

Also on June 10, 2019, MVMD entered into share purchase agreements with US Privco and acquired an additional 1,333,334 common shares of US Privco, representing a second 10% of the issued and outstanding shares of US Privco, by the issuance of 5,000,000 Class B common shares. The terms of an option to acquire an additional 40% equity interest in US Privco for an additional payment of USD2,000,000 plus the issuance of 8,000,000 Class "B" common shares of MVMD are to be negotiated in good faith by MVMD and the shareholders of US Privco.

Investments are measured at fair value through profit or loss. Management has determined that the investments recorded on the statement of financial position are not subject to significant influence or control.

8. NOTE RECEIVABLE

During the period ended March 31, 2019, MVMD executed a term sheet with a private corporation ("US Privco") that is funding an application with the U.S. Drug Enforcement Administration ("DEA") to become registered under the Controlled Substances Act to manufacture and supply marijuana for medical research in the United States. The parties agreed that MVMD would purchase a 10% equity interest valued at USD600,000 by way of private placement of that number of shares of common stock and to purchase an additional 10% of the common stock from US Privco's shareholders directly in consideration for 5,000,000 Class B common shares of MVMD, such that on closing, MVMD would have a 20% equity interest in US Privco. The term sheet also contemplated the grant of an option to purchase an additional 40% equity interest in US Privco (the "Option"), bringing the total equity interest to 60%, for an additional payment of USD2,000,000 plus the issuance of 8,000,000 Class "B" common shares of MVMD.

MVMD advanced USD600,000 ($817,574 as at March 31, 2019) to US Privco in return for a promissory note, contemplating the repayment of the principal balance by way of issuance of common shares of Privco to MVMD representing the first 10% equity interest described above (*converted into 1,333,333 common shares of US Privco on June 10, 2019)*.

(Expressed in Canadian Dollars)

9. PROPERTY

	Building	Total
Cost		
At March 31, 2019 and June 30, 2019	$ 1,390,000	$ 1,390,000
Accumulated amortization and impairment		
Depreciation expense	-	-
Impairment provision	-	-
At June 30, 2019	-	-
Net book value		
At March 31, 2019 and June 30, 2019	$ 1,390,000	$ 1,390,000

The building is not being depreciated because it is not currently in use.

10. MORTGAGE PAYABLE

On January 27, 2015, 0987182 B.C. Ltd., a wholly-owned subsidiary of MVM, entered into a first mortgage for the principal amount of $310,000 with Cambridge Mortgage Investment Corporation ("CMIC") on a building located in Qualicum Beach, British Columbia. The mortgage renewed on February 1, 2019, bears interest at 8.95%, has interest-only monthly payments of $2,312, can be prepaid without penalty and matures on August 1, 2019. An assignment of rents has been given to CMIC by way of additional and collateral security.

The Company renewed the mortgage subsequent to the period end, see note 16.

11. SHARE CAPITAL

a) Share Capital

Authorized

The Company has authorized share capital of:

- Unlimited Class A voting common shares without par value.
- Unlimited Class B non-voting common shares without par value.

The Company may, from time to time and in the absolute discretion of the directors, pay dividends on the Class A common shares or Class B common shares, or any of them, in such amount and at such time and place as the directors may determine.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company or other distribution of property of the Company among shareholders for the purpose of winding-up its affairs, the holders of Class A common shares and Class B common Shares are entitled to receive the remaining property of the Company equally. If the Company is not a reporting issuer or an investment fund within the meaning of applicable securities legislation, then no securities (other than non-convertible debt securities) can be transferred without either:

- the previous consent of the board of directors; or
- the previous consent of the holders of at least 51% of the securities of the specified class being outstanding

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (Continued)

Issued and outstanding

The Company has issued share capital of:

- 70,625,200 Class A common shares
- 132,520,307 Class B common shares

Share issuance

On April 11, 2019, the Company paid $2,000,000 and issued 11,000,000 Class B common shares pursuant to the SSPA with Colombian Privco

On June 5, 2019, the Company issued 4,302,500 Class B common shares at $0.20 per share for gross proceeds of $860,500 and 4,302,500 Class B common share purchase warrants. The warrants are exercisable at $0.35 per Class B common share and expire two years from the grant date subject to acceleration provisions.

On June 10, 2019, MVMD entered into share purchase agreements with US Privco and acquired an additional 1,333,334 common shares of US Privco, representing a second 10% of the issued and outstanding shares of US Privco, by the issuance of 5,000,000 Class B common shares (see note 7 & 8), on June 14, 2019.

b) Stock Options

In January 2019, pursuant to its stock option plan, the Company granted 8,288,500 stock options to officers, directors and consultants of the Company to purchase up to 8,288,500 Class A common shares of the Company at an exercise price of $0.05. The options vest and become exercisable as at the date upon which the Company becomes listed for trading on any nationally recognized stock exchange in Canada. The options expire five years following the vesting date.

c) Warrants

A summary of warrant activity during the period ended June 30, 2019 is as follows:

Expiry Date	Outstanding Warrants	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
			$
October 26, 2018	-	-	-
Issued	45,601,659	1.53	0.35
March 31, 2019	45,601,659	1.53	0.35
Issued during the period	4,302,500	0.16	0.35
June 30, 2019	49,904,159	1.69	0.35

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (Continued)

The Company's outstanding warrants as at June 30, 2019 were as follows:

Expiry Date	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
February 21, 2021	38,388,910	1.28	0.35
March 8, 2021	4,114,537	0.14	0.35
March 18, 2021	3,098,212	0.11	0.35
June 5, 2021	4,302,500	0.16	0.35
	49,904,159	1.69	0.35

12. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence was $159,093 during the three-month period ended June 30, 2019.

Period ended June 30	2019 $
Consulting fees	99,893
Business development and travel	59,200
	159,093

The fees charged by the related parties are in the normal course of operations and are measured at the exchange amount which is amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities as at June 30, 2019, was $115,000 owing to related parties. The payment terms are similar to the payment terms of non-related party trade payables.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company's financial assets and liabilities approximate the carrying amount due to their short term nature and capacity for prompt liquidation.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are

:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability
either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at June 30, 2019, the Company did not have any financial assets and liabilities which are measured at fair value, other than Long Term Investments (see Note 7). There were no transfers between Level 1, 2 or 3 during the period ended June 30, 2019.

a) Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. Credit risk arises from cash, deposits and note receivable. While the Company is exposed to credit losses due to the non-performance of its counterparties, management does not consider this to be a material risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. As at June 30, 2019, the Company had cash and cash equivalents of $4,680,989 to meet current financial liabilities of $562,249.

Trade accounts payable and accrued liabilities are due within the current operating period.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk.

<u>Sensitivity analysis</u>

Based on management's knowledge and experience of the financial markets, the Company does not expect any material movements in the underlying market risk variables over a one year period.

14. CAPITAL MANAGEMENT

The Company manages its cash, common shares, warrants and share purchase options as capital (see note 11). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company expects its current capital resources will be sufficient to carry out its planned operations in the near term.

15. COMMITMENTS AND CONTINGENT LIABILITIES

a) Effective September 28, 2018, MVM entered into a sublease agreement as the subtenant for office premises in Toronto, Ontario for a period of one year commencing on November 1, 2018 and terminating on October 31, 2019, with the option to renew the lease for an additional period of one year under the same terms and conditions, except as for the further right of renewal. Gross rent was payable in one instalment of $60,000 plus H.S.T. 30% of the premises is being used by another individual who paid 30% of the instalment and is paying 30% of the lease payments directly. Subsequent to the period end, the Company extended the sublease, see note 16.

b) On June 10, 2019, MVMD entered into a consulting agreement for president and CEO services with a company controlled by the consultant for his consulting services. Pursuant to the agreement:

- the consultant will act in the capacity of president and CEO to provide those services ordinarily required by a private corporation which intends to become a reporting issuer and publicly traded corporation;
- the consultant will receive the following compensation:
  - in and for any part of the period from June 10th and concluding on August 30, 2019 (the "initial term"), MVMD will pay the consultant $40,000 for the period from June 10th to June 30th and $57,500 for each of July and August, payable by the issuance of an aggregate of 775,000 Class B Common shares of MVMD at a valued price of $0.20 per share on or about the termination date of the initial term; and
  - thereafter, in and for any part of each contract year in which the services are provided, such compensation as approved by the board of directors and as agreed between the consultant and MVMD; and
- the agreement will continue until either party gives the other 60 days written notice of termination.

This agreement supersedes the marketing and business development consulting agreement with the consultant entered into on February 1, 2019.

16. SUBSEQUENT EVENTS

a) On July 3, 2019, the Company issued 773,000 Class B common shares at $0.20 pursuant to shares-for-services agreements for a value of $154,600.

b) On July 5, 2019, MVMD entered into a binding letter of intent ("LOI 1") with a private company operating in the state of New Jersey ("NJ Privco"), in the business of developing, manufacturing and licensing desiccated liposomes. Pursuant to LOI 1 and subject to a due diligence review:

- the parties will negotiate one or more binding, definitive agreements anticipated to include an asset purchase agreement, one or more intellectual property assignment agreements and a consulting agreement which will result in the acquisition by MVMD, either directly or indirectly through a subsidiary, of the specified patents, inventions, trademarks, supply agreements and any/all related intellectual property (the "Privco Assets"), with the closing date being on or before September 30, 2019 or such later date as may be agreed upon;
- the principal terms of the proposed transaction are to be substantially as follows:
    - on the closing date, the Privco Assets will be sold, transferred and assigned to MVMD or a subsidiary of MVMD;
    - compensation will be comprised of an aggregate of:
        - an aggregate cash payment of $1,000,000;
        - 25,000,000 Class B common shares of MVMD; and
        - 10,000,000 warrants to acquire the same number of Class B common shares of MVMD with, subject to certain specified terms and conditions, each warrant being exercisable for a period of five years at an exercise price of $0.60 per share subject to forced exercise in the event that MVMD becomes a publicly traded company and its common shares trade on a nationally recognized exchange at $1 or higher for a period of five trading days, following notice of which they will expire if not exercised within 30 days
    - compensation will be paid as follows and subject to the following:
        - an initial payment of $100,000 (paid on July 11th) comprised of specified third party expenses to be determined and a deposit;
        - an amount equal to $500,000 less the deposit and 10,000,000 Class B common shares on the closing date;
        - 250,000 and 5,000,000 Class B common shares following the completion of the specified agreement and its assignment to MMVD or a subsidiary of MVMD and thereafter upon receipt of combined licensing fees and royalties in connection therewith equal to a minimum value of $USD 200,000
        - $250,000 and 5,000,000 Class B common shares following the completion of the second specified agreement and its assignment to MVMD or a subsidiary of MVMD and thereafter upon receipt of orders equal to a minimum value of $USD 200,000;
        - 2,500,000 Class B common shares upon the achievement of production and sales of the specified product resulting in a minimum net profit of $50,000; and
        - 10,000,000 warrants upon receipt by MVMD or a subsidiary of MVMD of a minimum of $USD 2,000,000 in gross revenues arising from the NJ Privco Assets

16. SUBSEQUENT EVENTS (Continued)

- MVMD or a subsidiary of MVMD will engage a NJ Privco shareholder for a period of two years, unless earlier terminated in accordance with the terms of the applicable agreement, in the anticipated capacity of Chief Science Officer on terms to be determined and agreed upon for consideration of $10,000 per month payable following the completion of an additional license and supply agreement with a minimum value of $75,000;
- In the event that the transaction does not complete, the initial payment of $100,000 will immediately be deemed to be a loan from the MVMD secured against the assets of the NJ Privco parties, repayable within 30 days or such longer period as may be agreed upon bearing interest at 10% per annum; and
- LOI 1 will terminate on the following date:
  - Automatically upon execution of the agreements;
  - If the agreements are not executed, on or before the end of the exclusivity period of three months or such later date as may be agreed upon; and
  - By MVMD giving notice, prior to the end of the exclusivity period, that it has determined that as a result of its due diligence review it is not prepared to complete the transaction.

c) On July 9, 2019, MVMD entered into a non-binding letter of intent ("LOI 2") with a private company in Colombia ("Colombian Privco 2"), a non-operating company owning certain assets in the cannabis industry. Pursuant to LOI 2 and subject to a due diligence review:

- MVMD will acquire 100% of the shares of Colombian Privco 2 for a purchase price of $2,080,000 anticipated to be payable as follows:
  - a $130,000 refundable deposit (paid on July 16th); and
  - $1,950,000 in Class B common shares of MVMD at a deemed price equal to $0.20 per share, being 9,750,000 shares;
- the parties will negotiate a binding, definitive agreement containing the terms and conditions of the transaction with the closing date being set at 45 days from the date of the definitive agreement,
- in the event MVMD terminates LOI 2 as a result of a delay, act and/or omission on its part, the deposit will be forfeited or in the event that LOI 2 is terminated as a result of an event outside of the control of the parties, MVMD will receive $25,000 to cover its costs, and
- LOI 2 will automatically terminate, unless otherwise mutually agreed, upon the earlier of:
  - execution of the definitive agreement;
  - mutual agreement;
  - the end of the exclusivity period of 45 days in the event that the transaction does not complete; or
  - at any time by notice given by MVMD that, as a result of its due diligence review, it does not want to proceed with the transaction.

d) On July 11, 2019, MVMD subscribed for a convertible debenture of MBGC in the principal amount of $350,000 *($350,000 paid)* including 350,000 warrants pursuant to the amalgamation agreement with MBGC. The debenture bears interest at 10% per annum which accrues and is payable on the earlier of the conversion date or maturity, matures on July 11, 2023, is secured by a general security agreement, is convertible at the option of MVMD in $10,000 increments or multiples thereof and is redeemable in certain circumstances by MBGC.

16. SUBSEQUENT EVENTS (Continued)

e) On July 16, 2019, the Company paid $130,000 pursuant to LOI 2 with Colombian Privco 2.

f) On August 1, 2019, 0987182 BC Co. (subsidiary) renewed the mortgage for a term of six months. The mortgage bears interest at 9.49%, has interest-only monthly payments of $2,452, can be prepaid without penalty and matures on February 1, 2020 (see note 10).

g) On September 27, 2019, the Company issued 87,500 Class B common shares at $0.20 per share to various individuals for accounts payable.

h) On September 27, 2019, the Company issued 775,000 Class B common shares pursuant to shares-for-services agreements (Note 15).

i) On October 2, 2019, the Company subscribed for 333,333 shares of a Canadian Private Company at $0.75 for a subscription price of $250,000.

j) Effective October 8, 2019, MVM extended the sublease agreement as the subtenant for office premises in Toronto, Ontario for a period of one year commencing on November 1, 2019 and terminating on October 31, 2020, with the option to renew the lease for an additional period of one year under the same terms and conditions, except as for the further right of renewal. Gross rent was payable in one instalment of $60,000 plus H.S.T. 50% of the premises is being used by another individual who paid 50% of the instalment and is paying 50% of the lease payments directly.

k) Effective October 15, 2019, the Company agreed to an amendment to the consulting agreement with the President and CEO of the Company to extend the initial term of the agreement until February 28, 2020, or such earlier or later date as agreed by the parties, for the same monthly compensation, payable by the issuance of Class B Common shares of MVMD at a deemed price of $0.40 per share.

l) On November 4, 2019, the Company entered into a debenture agreement with a Canadian private company for $100,000. The debenture bears interest at 5% and matures on November 4, 2022.

Upon entering into the debenture agreement, and after a 60-day due diligence period, the the Company with be entitled to an exclusive license to distribute proprietary technology for world use on cannabis and hemp plants. Should the Company not wish to proceed with such a license agreement, the Company will be entitled to demand full repayment of the debenture with interest

The Company will have the right to convert the debenture into equity at any time during the term, upon any additional raise of the private company at a 20% discount.

m) Subsequent to the period end, the Company received subscriptions totalling $510,000 relating to an offering of units at $0.40 per unit, each unit consisting of one Class "B" common share and one half of one share purchase warrant, each warrant exercisable at $0.60 per Class B common share for 2 years from the issuance date, subject to acceleration provisions.

SCHEDULE “L”

INTERIM REVIEWED CONSOLIDATED FINANCIAL STATEMENTS OF MOUNTAIN VALLEY MD INC. FOR THE THREE AND SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2019

[see attached]

MOUNTAIN VALLEY MD INC.

Unaudited Interim Condensed Consolidated Financial Statements
For the six months period ended September 30, 2019
(Expressed in Canadian Dollars)

REVIEW ENGAGEMENT REPORT

To the Shareholders of Mountain Valley MD Inc:

We have reviewed the statement of financial position of Mountain Valley MD Inc. as at September 30, 2019 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Other Matter

The financial statements of Mountain Valley MD Inc. as at and for the year ended March 31, 2019 were audited by another accountant who expressed an unmodified opinion on those statements on August 20, 2019.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Mountain Valley MD Inc as at September 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A.R.T. Tax and Audit

Surrey, British Columbia
December 4, 2019

A.R.T. Tax and Audit
Chartered Professional Accountant

See accompanying notes to the interim condensed financial statements

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	September 30, 2019	March 31, 2019
ASSETS			
CURRENT			
Cash and cash equivalents		**$ 4,119,288**	$ 9,086,662
GST/HST recoverable		**47,639**	21,012
Deposit - acquisition	16	**230,000**	100,000
Prepaid expenses and deposits	5	**96,833**	73,035
Note receivable	8	**-**	817,574
		4,493,760	10,098,283
NON-CURRENT			
Convertible note	9	**350,000**	-
Long term investments	7	**9,002,531**	-
Property	10	**1,390,000**	1,390,000
		10,742,531	1,390,000
		$ 15,236,291	$ 11,488,283
LIABILITIES AND DEFICIT			
CURRENT			
Accounts payable and accrued liabilities		**$ 299,114**	$ 224,337
Mortgage payable	11	**310,000**	310,000
		609,114	534,337
DEFICIT			
Share capital	12	**16,228,578**	11,840,978
Subscriptions received	12	**171,967**	10,000
Deficit		**(1,773,368)**	(897,032)
		14,627,177	10,953,946
		$ 15,236,291	$ 11,488,283

GOING CONCERN (Note 2)
COMMITMENTS AND CONTINGENT LIABILITES (Note 16)
SUBSEQUENT EVENTS (Note 17)

Approved on behalf of the Board:

____________________ Director

See accompanying notes to the interim condensed financial statements

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Six month period ended September 30, 2019
EXPENSES		
Business development and travel	13	$ 75,528
Consulting fees	13	370,985
Expenses related to proposed greenhouse		40,658
Mortgage interest		11,700
Office and miscellaneous		16,821
Professional fees		355,101
Rent		10,500
NET LOSS BEFORE OTHER ITEM		881,293
OTHER ITEM		
Investment income		432
Unrealized gain on investments		4,525
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		$ 876,336
BASIC AND DILUTED LOSS PER SHARE		$ (0.00)
Weighted average number of shares outstanding		200,568,933

See accompanying notes to the interim condensed financial statements

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note	Class A Number of shares	Class A Share capital	Class B Number of shares	Class B Share capital	Subscriptions received	Deficit	Total
			$		$	$	$	$
Balance as at March 31, 2019		70,625,200	737,501	112,217,807	11,103,477	10,000	(897,032)	10,953,946
Shares issued for investment	7, 12	-	-	16,000,000	3,200,000	-	-	3,200,000
Shares issued for services	12	-	-	1,960,500	392,100	-	-	392,100
Shares issued for private placement at $0.20	12	-	-	3,977,500	795,500	(10,000)	-	785,500
Shares issued for private placement at $0.40	12	-	-	-	-	171,967	-	171,967
Net loss for the period		-	-	-	-	-	(876,336)	(876,336)
Balance as at September 30, 2019		70,625,200	737,501	134,155,807	15,491,077	171,967	(1,773,368)	14,627,177

See accompanying notes to the interim condensed financial statements

MOUNTAIN VALLEY MD INC.
Interim Condensed Consolidated Statements of Cash flows
(Expressed in Canadian Dollars)

	Note		For the Six Month Period Ended, September 30, 2019
Operating activities:			
Net loss and comprehensive loss for the period		$	(876,336)
Changes in non-cash operating working capital			
GST recoverable			(26,627)
Prepaid expenses and deposits			(23,798)
Accounts payable			528,977
Net cash used in operating activities:			(397,784)
Investing activities:			
Long term investments	7		(4,984,957)
Purchase of convertible note	9		(350,000)
Deposit - acquisition	16		(130,000)
Net cash used in investing activities:			(5,464,957)
Financing activities:			
Subscriptions received	12		171,967
Issuance of share capital	12		723,400
Net cash used in finance activities:			895,367
Net change in cash			(4,967,374)
Cash - Beginning of period			9,086,662
Cash - End of period		$	4,119,288

Non-cash transactions:			
Shares issued for equity in long term investments		$	3,200,000
Shares issued for consulting and professional services			392,100

See accompanying notes to the interim condensed financial statements

1. CORPORATE INFORMATION

Mountain Valley MD Inc. ("MVMD" or the "Company"), was incorporated under the laws of the province of Ontario on October 26, 2018. MVMD is a private corporation. The nature of operations involves investing in strategically positioned companies operating in normalized cannabis markets.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern (see note 2).

The address of the Company's corporate office and principal place of business is 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

2. GOING CONCERN

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. The Company is in the start up phase, it incurred a loss of $876,336 during the nine-month period ended September 30, 2019 and, as of that date, the Company's deficit was $1,773,368. The Company is dependent on its ability to raise additional debt, equity and/or to generate revenue from operations to raise sufficient cash resources to execute its business plans. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $3,419,358 and cash equivalents of $699,930, at September 30, 2019 to meet current financial obligations of $609,114. Management believes that the Company has sufficient working capital to maintain operations for the next 12 months.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

a) Statement of compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The sole director of the Company approved the financial statements on December 4, 2019.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of condensed interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

b) Summary of significant accounting policies

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual financial statements. For a complete summary of significant accounting policies, please refer to the Company's audited annual financial statements for the year ended March 31, 2019 and 2018.

c) Accounting standards adopted during the period

IFRS 16 was issued on January 13, 2016, and is effective for accounting periods beginning on or after January 1 2019. The standard sets out a new model for lease accounting. There was no significant impact to the Company on the adoption of this standard on April 1, 2019.

d) Use of estimates and judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies and significant estimates and assumptions made are as follows:

Assessment of impairment indicators
Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required. The information considered in assessing whether there is an indicator of impairment or impairment reversal includes, but is not limited to, market transactions for similar assets, commodity prices, interest rates, inflation rates, the Company's market capitalization and operating results.

Going concern
Management has made the determination that the Company will continue as a going concern for the next year.

(Expressed in Canadian Dollars)

4. SHARE EXCHANGE AGREEMENT

On January 10, 2019, the Company entered into a share exchange agreement (the "SEA") with Mountain Valley Medicinals Inc. ("MVM"), a private company incorporated under the laws of the province of British Columbia, and the shareholders of MVM to purchase all of the issued and outstanding common shares of MVM from the MVM shareholders in exchange for 54,206,148 Class B common shares of MVMD valued at $1,496,564.

The Company has recorded the acquisition of MVM as an asset acquisition as follows:

Purchase price consideration:	
Class B common shares issued	$ 1,496,564
Assets acquired and liabilities assumed:	
Cash	375,385
GST/HST receivable	19,347
Prepaid expenses and deposits	80,832
Building	1,390,000
Accounts payable and accrued liabilities	(59,000)
Mortgage payable	(310,000)
	$ 1,496,564

5. PREPAID EXPENSES AND DEPOSITS

As at September 30, 2019, prepaid expenses and deposits are made up of the following amounts:

	September 30, 2019
	$
Prepaid expenses	59,520
Deposits	37,313
	96,833

6. AMALGAMATION AGREEMENT

On June 28, 2019, MVMD entered into an amalgamation agreement with Meadow Bay Gold Corporation ("MBGC"), a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and a wholly-owned Ontario subsidiary of MBGC ("Subco") to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" between MBGC, MVMD and Subco (the "Amalgamation") to form a new corporation ("Amalco") in accordance with the provisions of the Business Corporations Act (Ontario) (the "OBCA"). Pursuant to the amalgamation agreement:

- MBGC will consolidate its issued and outstanding common shares on an 8 pre-consolidation common shares for 1 post-consolidation share basis prior to completion of the Amalgamation;
- MVMD will subscribe for 350 MBGC convertible debenture units *(subscribed for on July 11th and $350,000 paid*) upon MBGC's satisfaction of the MBGC financing conditions (being a detailed description of the use of proceeds) subject to the MBGC financing fee. Each unit is comprised of one MBGC convertible debenture in the principal amount of $1,000 bearing interest at 10% per annum to be accrued and having a maturity date of four years and 1,000 MBGC convertible debenture warrants with each warrant being exercisable for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06. Each unit is convertible into one pre-consolidation common share and one warrant of MBGC with each warrant being convertible into one pre-consolidation common share of MBGC for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06;
- MBGC may proceed with a potential private placement offering of up to an additional 150 MBGC convertible debenture units to raise additional gross proceeds of up to a maximum of $150,000 with MVMD having a right of first refusal;
- MVMD will complete a private placement; and
- if MVMD terminates the amalgamation agreement because of an uncured breach by MBGC and MBGC consummates an acquisition transaction within one year of the date of termination, MBGC will pay a $500,000 break fee to MVMD.

Completion is subject to all required consents, orders and approvals, including, without limitation regulatory approvals required, necessary or desirable for the completion of the proposed transactions.

On the effective date of the amalgamation:

- Subco and MVMD will amalgamate to form Amalco and will continue on as one corporation under the OBCA;
- every MVMD Class A and Class B common share prior to the amalgamation will receive one post-consolidation MBGC share;
- every Subco share prior to the amalgamation will receive one Amalco share; and
- the name of Amalco will be Mountain Valley MD Inc. or such other name as otherwise agreed to.

(Expressed in Canadian Dollars)

7. INVESTMENTS

	June 30, 2019
	$
Colombian Privco (a)	7,000,000
UK Privco (b)	184,957
US Privco (c)	1,817,574
	9,002,531

a) Colombian Privco

On April 4, 2019, MVMD entered into a subscription and share purchase agreement (the "SSPA") with Colombian Privco. Pursuant to the SSPA:

- MVMD subscribed for 17,892,248 common shares (representing 10% post subscription) of Colombian Privco (*issued to MVMD (Colombia) Inc. on April 11th*) for an aggregate subscription price of $2,800,000 (*paid on April 11th)*;
- MVMD agreed to purchase an additional 26,838,372 common shares of Colombian Privco (representing 15% post subscription) from existing shareholders of Colombian Privco (*transferred to MVMD (Colombia) Inc. on April 11th*) for an aggregate purchase price of $4,200,000 payable as follows:
  - a cash payment of $2,000,000 (*paid on April 11th*); and
  - $2,200,000 in common shares of the Company at a deemed price equal to $0.20 per share (*11,000,000 Class B common shares issued on April 11th*);
- the $100,000 deposit paid by MVMD pursuant to the LOI (see note 16) will be returned to MVMD (*received on April 4th*); and
- MVMD is granted a right of first refusal to enter into a supply agreement for export of product to Australia and the United States; and
- for a period of one year, Colombian Privco is granted a right of first refusal to enter into an agreement with MVMD for the export of product to any territory in the world, excluding Canada and any countries where export of the product is not prevented by applicable laws.

On April 11, 2019, the Company paid $2,000,000 and issued 11,000,000 Class B common shares to existing shareholders of Colombian Privco pursuant to the SSPA with Colombian Privco and its shareholders.

On April 11, 2019, the Company incorporated MVMD (Colombia) Inc. under the laws of the province of Ontario and pursuant to Colombian Privco's shareholders agreement dated August 18, 2017, MVMD (Colombia) Inc. entered into a joinder agreement as a joining shareholder of Colombian Privco.

b) UK Privco

On May 9, 2019, MVMD entered into a subscription letter with a company in the United Kingdom ("UK Privco") that is an established, fully integrated European-based medical cannabis company. Pursuant to the subscription letter, MVMD applied for 700,000 ordinary shares of UK Privco (*received on June 18th*) for a subscription price of £105,000 ($184,958).

On May 13, 2019, the Company paid $184,958 pursuant to the subscription letter with UK Privco.

7. INVESTMENTS (Continued)

c) US Privco

On June 10, 2019, MVMD entered into a Subscription Agreement with US Privco and acquired 1,333,333 common shares of US Privco, representing 10% of the issued and outstanding shares of US Privco, by way of conversion of a promissory note in the amount of USD600,000 (see note 8).

Also on June 10, 2019, MVMD entered into share purchase agreements with US Privco and acquired an additional 1,333,334 common shares of US Privco, representing a second 10% of the issued and outstanding shares of US Privco, by the issuance of 5,000,000 Class B common shares. The terms of an option to acquire an additional 40% equity interest in US Privco for an additional payment of USD2,000,000 plus the issuance of 8,000,000 Class “B” common shares of MVMD are to be negotiated in good faith by MVMD and the shareholders of US Privco.

Investments are measured at fair value through profit or loss. Management has determined that the investments recorded on the statement of financial position are not subject to significant influence or control.

8. NOTE RECEIVABLE

During the period ended March 31, 2019, MVMD executed a term sheet with a private corporation (“US Privco”) that is funding an application with the U.S. Drug Enforcement Administration (“DEA”) to become registered under the Controlled Substances Act to manufacture and supply marijuana for medical research in the United States. The parties agreed that MVMD would purchase a 10% equity interest valued at USD600,000 by way of private placement of that number of shares of common stock and to purchase an additional 10% of the common stock from US Privco’s shareholders directly in consideration for 5,000,000 Class B common shares of MVMD, such that on closing, MVMD would have a 20% equity interest in US Privco. The term sheet also contemplated the grant of an option to purchase an additional 40% equity interest in US Privco (the “Option”), bringing the total equity interest to 60%, for an additional payment of USD2,000,000 plus the issuance of 8,000,000 Class “B” common shares of MVMD.

MVMD advanced USD600,000 ($817,574 as at March 31, 2019) to US Privco in return for a promissory note, contemplating the repayment of the principal balance by way of issuance of common shares of Privco to MVMD representing the first 10% equity interest described above (converted into 1,333,333 common shares of US Privco on June 10, 2019).

9. CONVERTIBLE NOTE

On July 11, 2019, MVMD subscribed for a convertible debenture of MBGC in the principal amount of $350,000 ($350,000 paid) including 350,000 warrants pursuant to the amalgamation agreement with MBGC. The debenture bears interest at 10% per annum which accrues and is payable on the earlier of the conversion date or maturity, matures on July 11, 2023, is secured by a general security agreement, is convertible at the option of MVMD in $10,000 increments or multiples thereof and is redeemable in certain circumstances by MBGC.

(Expressed in Canadian Dollars)

10. PROPERTY

	Building	Total
Cost		
At March 31, 2019 and June 30, 2019	$ 1,390,000	$ 1,390,000
Accumulated amortization and impairment		
Depreciation expense	-	-
Impairment provision	-	-
At June 30, 2019	-	-
Net book value		
At March 31, 2019 and June 30, 2019	$ 1,390,000	$ 1,390,000

The building is not being depreciated because it is not currently in use.

11. MORTGAGE PAYABLE

On January 27, 2015, 0987182 B.C. Ltd., a wholly-owned subsidiary of MVM, entered into a first mortgage for the principal amount of $310,000 with Cambridge Mortgage Investment Corporation ("CMIC") on a building located in Qualicum Beach, British Columbia. The mortgage renewed on February 1, 2019, bears interest at 8.95%, has interest-only monthly payments of $2,312, can be prepaid without penalty and matures on August 1, 2019. An assignment of rents has been given to CMIC by way of additional and collateral security.

The Company renewed the mortgage on August 1, 2019, see note 16.

12. SHARE CAPITAL

a) Share Capital

Authorized

The Company has authorized share capital of:

- Unlimited Class A voting common shares without par value.
- Unlimited Class B non-voting common shares without par value.

The Company may, from time to time and in the absolute discretion of the directors, pay dividends on the Class A common shares or Class B common shares, or any of them, in such amount and at such time and place as the directors may determine.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company or other distribution of property of the Company among shareholders for the purpose of winding-up its affairs, the holders of Class A common shares and Class B common Shares are entitled to receive the remaining property of the Company equally. If the Company is not a reporting issuer or an investment fund within the meaning of applicable securities legislation, then no securities (other than non-convertible debt securities) can be transferred without either:

- the previous consent of the board of directors; or
- the previous consent of the holders of at least 51% of the securities of the specified class being outstanding

12. SHARE CAPITAL (Continued)

Issued and outstanding

The Company has issued share capital of:

- 70,625,200 Class A common shares
- 134,155,807 Class B common shares

Share issuance

On April 11, 2019, the Company paid $2,000,000 and issued 11,000,000 Class B common shares pursuant to the SSPA with Colombian Privco

On June 5, 2019, the Company issued 4,302,500 Class B common shares at $0.20 per share for gross proceeds of $860,500 and 4,302,500 Class B common share purchase warrants. The warrants are exercisable at $0.35 per Class B common share and expire two years from the grant date subject to acceleration provisions.

On June 10, 2019, MVMD entered into share purchase agreements with US Privco and acquired an additional 1,333,334 common shares of US Privco, representing a second 10% of the issued and outstanding shares of US Privco, by the issuance of 5,000,000 Class B common shares (see note 7 & 8), on June 14, 2019.

On July 3, 2019, the Company issued 773,000 Class B common shares at $0.20 pursuant to shares-for-services agreements for a value of $154,600.

On September 27, 2019, the Company issued 87,500 Class B common shares at $0.20 per share to various individuals for accounts payable.

On September 27, 2019, the Company issued 775,000 Class B common shares pursuant to shares-for-services agreements (Note 15).

From July to September 30, 2019, the Company received subscriptions totalling $171,967 relating to an offering of units at $0.40 per unit, each unit consisting of one Class “B” common share and one half of one share purchase warrant, each warrant exercisable at $0.60 per Class B common share for 2 years from the issuance date, subject to acceleration provisions. See note 17(e).

b) Stock Options

In January 2019, pursuant to its stock option plan, the Company granted 8,288,500 stock options to officers, directors and consultants of the Company to purchase up to 8,288,500 Class A common shares of the Company at an exercise price of $0.05. The options vest and become exercisable as at the date upon which the Company becomes listed for trading on any nationally recognized stock exchange in Canada. The options expire five years following the vesting date.

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (Continued)

c) Warrants

A summary of warrant activity during the period ended September 30, 2019 is as follows:

Expiry Date	Outstanding Warrants	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
			$
October 26, 2018	-	-	-
Issued	45,601,659	1.53	0.35
March 31, 2019	45,601,659	1.53	0.35
Issued	4,302,500	0.16	0.35
September 30, 2019	49,904,159	1.69	0.35

The Company's outstanding warrants as at September 30, 2019 were as follows:

Expiry Date	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
February 21, 2021	38,388,910	1.28	0.35
March 8, 2021	4,114,537	0.14	0.35
March 18, 2021	3,098,212	0.11	0.35
June 5, 2021	4,302,500	0.16	0.35
	49,904,159	1.69	0.35

13. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence was $331,593 during the six-month period ended September 30, 2019.

Period ended September 30	2019
	$
Consulting fees	272,393
Business development and travel	59,200
	331,593

The fees charged by the related parties are in the normal course of operations and are measured at the exchange amount which is amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities as at September 30, 2019, was $57,500 owing to related parties. The payment terms are similar to the payment terms of non-related party trade payables.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company's financial assets and liabilities approximate the carrying amount due to their short term nature and capacity for prompt liquidation.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are

:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability
either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at September 30, 2019, the Company did not have any financial assets and liabilities which are measured at fair value, other than Long Term Investments (see Note 7). There were no transfers between Level 1, 2 or 3 during the period ended September 30, 2019.

a) Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. Credit risk arises from cash, deposits and note receivable. While the Company is exposed to credit losses due to the non-performance of its counterparties, management does not consider this to be a material risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. As at September 30, 2019, the Company had cash and cash equivalents of $4,119,288 to meet current financial liabilities of $609,114.

Trade accounts payable and accrued liabilities are due within the current operating period.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk.

<u>Sensitivity analysis</u>

Based on management's knowledge and experience of the financial markets, the Company does not expect any material movements in the underlying market risk variables over a one year period.

15. CAPITAL MANAGEMENT

The Company manages its cash, common shares, warrants and share purchase options as capital (see note 11). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company expects its current capital resources will be sufficient to carry out its planned operations in the near term.

16. COMMITMENTS AND CONTINGENT LIABILITIES

a) Effective September 28, 2018, MVM entered into a sublease agreement as the subtenant for office premises in Toronto, Ontario for a period of one year commencing on November 1, 2018 and terminating on October 31, 2019, with the option to renew the lease for an additional period of one year under the same terms and conditions, except as for the further right of renewal. Gross rent was payable in one instalment of $60,000 plus H.S.T. 30% of the premises is being used by another individual who paid 30% of the instalment and is paying 30% of the lease payments directly. On August 1, 2019, 0987182 BC Co. (subsidiary) renewed the mortgage for a term of six months. The mortgage bears interest at 9.49%, has interest-only monthly payments of $2,452, can be prepaid without penalty and matures on February 1, 2020 (see note 10)..

b) On June 10, 2019, MVMD entered into a consulting agreement for president and CEO services with a company controlled by the consultant for his consulting services. Pursuant to the agreement:

- the consultant will act in the capacity of president and CEO to provide those services ordinarily required by a private corporation which intends to become a reporting issuer and publicly traded corporation;
- the consultant will receive the following compensation:
    - in and for any part of the period from June 10th and concluding on August 30, 2019 (the "initial term"), MVMD will pay the consultant $40,000 for the period from June 10th to June 30th and $57,500 for each of July and August, payable by the issuance of an aggregate of 775,000 Class B Common shares of MVMD at a valued price of $0.20 per share on or about the termination date of the initial term; and
    - thereafter, in and for any part of each contract year in which the services are provided, such compensation as approved by the board of directors and as agreed between the consultant and MVMD; and
- the agreement will continue until either party gives the other 60 days written notice of termination.

This agreement supersedes the marketing and business development consulting agreement with the consultant entered into on February 1, 2019.

16. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

c) On July 5, 2019, MVMD entered into a binding letter of intent ("LOI 1") with a private company operating in the state of New Jersey ("NJ Privco"), in the business of developing, manufacturing and licensing desiccated liposomes. Pursuant to LOI 1 and subject to a due diligence review:

- the parties will negotiate one or more binding, definitive agreements anticipated to include an asset purchase agreement, one or more intellectual property assignment agreements and a consulting agreement which will result in the acquisition by MVMD, either directly or indirectly through a subsidiary, of the specified patents, inventions, trademarks, supply agreements and any/all related intellectual property (the "Privco Assets"), with the closing date being on or before September 30, 2019 or such later date as may be agreed upon;
- the principal terms of the proposed transaction are to be substantially as follows:
  - on the closing date, the Privco Assets will be sold, transferred and assigned to MVMD or a subsidiary of MVMD;
  - compensation will be comprised of an aggregate of:
    - an aggregate cash payment of $1,000,000;
    - 25,000,000 Class B common shares of MVMD; and
    - 10,000,000 warrants to acquire the same number of Class B common shares of MVMD with, subject to certain specified terms and conditions, each warrant being exercisable for a period of five years at an exercise price of $0.60 per share subject to forced exercise in the event that MVMD becomes a publicly traded company and its common shares trade on a nationally recognized exchange at $1 or higher for a period of five trading days, following notice of which they will expire if not exercised within 30 days
  - compensation will be paid as follows and subject to the following:
    - an initial payment of $100,000 (paid on July 11th) comprised of specified third party expenses to be determined and a deposit;
    - an amount equal to $500,000 less the deposit and 10,000,000 Class B common shares on the closing date;
    - 250,000 and 5,000,000 Class B common shares following the completion of the specified agreement and its assignment to MMVD or a subsidiary of MVMD and thereafter upon receipt of combined licensing fees and royalties in connection therewith equal to a minimum value of $USD 200,000
    - $250,000 and 5,000,000 Class B common shares following the completion of the second specified agreement and its assignment to MVMD or a subsidiary of MVMD and thereafter upon receipt of orders equal to a minimum value of $USD 200,000;
    - 2,500,000 Class B common shares upon the achievement of production and sales of the specified product resulting in a minimum net profit of $50,000; and
    - 10,000,000 warrants upon receipt by MVMD or a subsidiary of MVMD of a minimum of $USD 2,000,000 in gross revenues arising from the NJ Privco Assets

16. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

- MVMD or a subsidiary of MVMD will engage a NJ Privco shareholder for a period of two years, unless earlier terminated in accordance with the terms of the applicable agreement, in the anticipated capacity of Chief Science Officer on terms to be determined and agreed upon for consideration of $10,000 per month payable following the completion of an additional license and supply agreement with a minimum value of $75,000;
- In the event that the transaction does not complete, the initial payment of $100,000 will immediately be deemed to be a loan from the MVMD secured against the assets of the NJ Privco parties, repayable within 30 days or such longer period as may be agreed upon bearing interest at 10% per annum; and
- LOI 1 will terminate on the following date:
  - Automatically upon execution of the agreements;
  - If the agreements are not executed, on or before the end of the exclusivity period of three months or such later date as may be agreed upon; and

By MVMD giving notice, prior to the end of the exclusivity period, that it has determined that as a result of its due diligence review it is not prepared to complete the transaction

d) On July 9, 2019, MVMD entered into a non-binding letter of intent ("LOI 2") with a private company in Colombia ("Colombian Privco 2"), a non-operating company owning certain assets in the cannabis industry. Pursuant to LOI 2 and subject to a due diligence review.

Subsequent to the period end, the Company completed the due diligence review and entered into a formalized agreement on November 15, 2019:

- MVMD will acquire 100% of the shares of Colombian Privco 2 for a purchase price of $2,080,000 anticipated to be payable as follows:
  - a $130,000 refundable deposit (paid on July 16th); and
  - $1,950,000 in Class B common shares of MVMD at a deemed price equal to $0.20 per share, being 9,750,000 shares;

17. SUBSEQUENT EVENTS

a) On October 2, 2019, the Company subscribed for 333,333 shares of a Canadian Private Company at $0.75 for a subscription price of $250,000.

b) Effective October 8, 2019, MVM extended the sublease agreement as the subtenant for office premises in Toronto, Ontario for a period of one year commencing on November 1, 2019 and terminating on October 31, 2020, with the option to renew the lease for an additional period of one year under the same terms and conditions, except as for the further right of renewal. Gross rent was payable in one instalment of $60,000 plus H.S.T. 50% of the premises is being used by another individual who paid 50% of the instalment and is paying 50% of the lease payments directly.

c) Effective October 15, 2019, the Company agreed to an amendment to the consulting agreement with the President and CEO of the Company to extend the initial term of the agreement until February 28, 2020, or such earlier or later date as agreed by the parties, for the same monthly compensation, payable by the issuance of Class B Common shares of MVMD at a deemed price of $0.40 per share. Attached to each Class B Common share is a half warrant, each warrant exercisable at $0.60 per Class B common share for 2 years from the issuance date, subject to acceleration provisions.

d) On November 4, 2019, the Company entered into a debenture agreement with a Canadian private company for $100,000. The debenture bears interest at 5% and matures on November 4, 2022.

   Upon entering into the debenture agreement, and after a 60-day due diligence period, the the Company with be entitled to an exclusive license to distribute proprietary technology for world use on cannabis and hemp plants. Should the Company not wish to proceed with such a license agreement, the Company will be entitled to demand full repayment of the debenture with interest

   The Company will have the right to convert the debenture into equity at any time during the term, upon any additional raise of the private company at a 20% discount.

e) Subsequent to the period end, the Company received subscriptions totalling $338,000 relating to an offering of units at $0.40 per unit, each unit consisting of one Class “B” common share and one half of one share purchase warrant, each warrant exercisable at $0.60 per Class B common share for 2 years from the issuance date, subject to acceleration provisions.

SCHEDULE "M"

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF MOUNTAIN VALLEY MD INC. FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

[see attached]

MOUNTAIN VALLEY MD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2019

Introduction

This management's discussion and analysis ("MD&A") has been prepared as of December 6, 2019 and should be read in conjunction with the consolidated interim financial statements for the three months ended June 30, 2019 and the audited consolidated financial statements of Mountain Valley MD Inc. (the "Company" or "MVMD") for the year ended March 31, 2019. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward Looking Statements

The information presented in this Management's Discussion and Analysis ("MD&A") contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") for purposes of applicable securities laws.

These forward-looking statements also include, but are not limited to, factors that may affect our ability to achieve our objectives. Such forward–looking statements, including but not limited to those with respect to the Company's future operating and financial results, the Company's competitive and business strategies, the sufficiency of the Company's working capital and its ability to raise future capital, the further development of the Company's business with respect to the acquisition of licences and other assets, competitive conditions of the cannabis industry, changes in the regulatory environment relating to medical and recreational cannabis within Canada and internationally, expansion into international markets and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward– looking statements.

The reader should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

Date of Report

The information in this report is presented as of December 4, 2019.

CORPORATE INFORMATION

Mountain Valley MD Inc. ("MVMD" or the "Company"), was incorporated under the laws of the province of Ontario on October 26, 2018. MVMD is a private corporation operating or intending to operate in intending to become a world-class health and wellness organization centred around cannabis derivatives and focused on the creation of industry leading products that are sought out globally.

As at the date of this MD&A, MVMD has two wholly owned subsidiaries, Mountain Valley Medicinals Inc. ("MVM"), a company incorporated under the laws of the province of British Columbia on March 7, 2018, and MVMD (Colombia) Inc. ("MVMDC"), a corporation incorporated under the laws of the province of Ontario on April 11, 2019. MVM has a wholly owned subsidiary, 0987182 B.C. Ltd. ("098") (formerly Pura Vida Medical Marihuana Incorporation), a company formed under the laws of the Province of British Columbia.

The address of the Company's corporate office and principal place of business is 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

BUSINESS OVERVIEW

The Company's proposition is to deliver formulations that have rapid onset, with high bioavailability, with precision dosing technology across various health and wellness categories, including pain management, weight loss, energy, focus, sleep, anxiety, libido and more. Management believes its health and wellness success will be bolstered further through intelligent applications of cannabis-based cannabinoids across its transmucosal delivery product line and other health and wellness products. As such, the Company is also focused on the areas of cultivation, research and development, and manufacturing through strategic acquisitions and partnerships, for the purposes of generating a market-leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

The Company does not yet have revenues but, since incorporation, MVMD has been making acquisitions, forming agreements and generally taking steps to develop its business with a global view on four main growth pillars: 1) cultivation; 2) processing sciences; 3) delivery sciences; and 4) distribution.

<u>Acquisitions</u>:

On January 10, 2019, MVMD completed the acquisition of 100% of MVM's issued and outstanding shares by way of share exchange, entering into a share exchange agreement (the "SEA") with MVM and its shareholders. MVMD issued 54,206,148 Class "B" common shares to the shareholders of MVM on a 1:1 basis. At the time the terms of the SEA were negotiated, an officer and director of MVM was also a director and officer of MVMD.

MVM was formed for the purpose of acquiring 098. 098 was formed for the purpose of making an application to Health Canada to produce and sell high-quality strains of medical grade cannabis. The application was made on or about June 27, 2014 and remained under review during the time of the acquisition by MVMD of MVM. See section entitled "Discussion of Operations" for additional detail about the current status of 098's application.

On January 2, 2019, MVMD entered into a binding letter of intent with Avicanna Inc. ("Avicanna"). Pursuant to the letter of intent, MVMD had agreed to: (i) subscribe for newly issued shares of Sativa Nativa, a corporation formed under the laws of Colombia, of which Avicanna is the majority shareholder, equal to 10% of the then total issued and outstanding shares of Sativa Nativa, for $2,800,000 in cash; and (ii) MVMD would acquire an additional 15% of the then total issued and outstanding shares of Sativa Nativa from shareholders of Avicanna for $2,000,000 in cash and $2,200,000 worth of MVMD Class B common shares. See below for details regarding the completion of the foregoing transaction.

On December 20, 2018, MVMD issued a loan equal to USD $600,000 (the "CCJC Loan") to CCJC Inc. ("CCJC"), a private Nevada corporation, and, on the same date, entered into a term sheet with CCJC (the "CCJC Term Sheet"), the intention of the parties being that the CCJC Loan be converted into equity in CCJC pursuant to the CCJC Term Sheet. CCJC is the majority shareholder (90%) of a US private corporation (the "Applicant") who has made an application (the "DEA Application") with the U.S. Drug Enforcement Administration ("DEA") to become registered under the Controlled Substances Act (United States) to manufacture marijuana to supply to researchers in the United States (the "DEA Licence"). Pursuant to the terms of the CCJC Term Sheet, MVMD would acquire newly issued shares from CCJC representing 10% of the issued and outstanding shares of CCJC (following issuance) in consideration for USD $600,000, to be paid by way of conversion of the CCJC Loan. MVMD would acquire an additional 10% from the existing shareholders of CCJC by way of share purchase, in consideration for the issuance of 5,000,000 Class "B" common shares. Further, MVMD would acquire the right to purchase an additional 40% of the issued and outstanding shares for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 Class "B" common shares. See below for details regarding the completion of the foregoing transaction.

On April 11, 2019, MVMD completed the transaction contemplated in the letter of intent with Avicanna. MVMD entered into a Subscription and Share Purchase Agreement with Sativa Nativa, Avicanna and certain shareholders of Sativa Nativa, resulting in the acquisition by MVMDC of an aggregate 25% of the issued and outstanding shares of Sativa Nativa (the "SN Interest"). MVMD acquired 7,892,248 common shares of Sativa Nativa, representing 10% of the issued and outstanding shares of Sativa Nativa (following issuance), for a subscription price of CAD $2,800,000, and another 26,838,372 common shares of Sativa Nativa from its shareholders other than Avicanna, representing 15% of the issued and outstanding shares of Sativa Nativa, for a purchase price of CAD $4,200,000 by way of a monetary payment of CAD $2,000,000 and the issuance of 11,000,000 MVMD Class B Shares.

On May 9, 2019, MVMD acquired 700,000 ordinary shares in the capital stock of Winchester MD Limited ("Winchester"), a private company with its registered office in London, England, representing, as at July 2, 2019, approximately 2.6% of the ordinary shares of Winchester. Winchester is an established, fully-integrated European based medical cannabis company that operates an online store called HempElf and offers over 100 products for sale. MVMD believes that its relationship with Winchester MD will be valuable for European market expansion and supply agreements in the future.

On June 10, 2019, MVMD entered into a subscription agreement with CCJC to acquire 1,333,333 common shares of CCJC, representing 10% of the issued and outstanding shares of CCJC (following issuance), for an aggregate subscription price of USD $600,000 (USD $0.20 per share) by way of conversion of the CCJC Loan. MVMD also entered into share purchase agreements (the "Share Purchase Agreements") with the shareholders of CCJC to acquire an additional 1,333,334 common shares of CCJC, representing an additional 10% of the issued and outstanding shares of CCJC, in consideration for an aggregate purchase price of $1,000,000 by the issuance of an aggregate 5,000,000 MVMD Class B Shares at a deemed price of $0.20 per share. Pursuant to the terms of the Share Purchase Agreements, MVMD acquired the right to purchase an additional 40% of the issued and outstanding shares in CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 MVMD Class B Shares on terms to be negotiated in good faith by MVMD and the shareholders of CCJC. There is no expected timeline, or guarantee, with respect to the approval and granting of the DEA Licence.

Reverse Takeover/Amalgamation:

On June 28, 2019, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with Meadow Bay Gold Corporation ("Meadow Bay") and 2700915 Ontario Inc. (a wholly-owned subsidiary of Meadow Bay) that provides for the completion of a reverse-takeover by MVMD of Meadow Bay by way of a three-cornered amalgamation (the "Transaction").

The principal terms of the Transaction are as follows:

1. Meadow Bay will complete an 8 for 1 share consolidation (the "Consolidation"), which will reduce the number of Meadow Bay's issued and outstanding common shares from 50,056,229 pre-consolidation common shares to 6,257,029 post-consolidation common shares.

2. Meadow Bay will change its name to "Mountain Valley MD Inc." or as otherwise agreed to by the parties to the Amalgamation Agreement.

3. MVMD, Meadow Bay and 2700915 will complete a triangular amalgamation, wherein MVMD will amalgamate with 2700915 (the "Amalgamation") and as a result of the Amalgamation, Meadow Bay will thereby acquire all of the outstanding shares of MVMD in exchange for common shares of the company resulting from the Amalgamation (the "Resulting Issuer") on a one for one basis (the "Resulting Issuer Shares").

A finder's fee equal to 3% of the Resulting Issuer Shares to be issued to the shareholders of MVMD prior to the Transaction will be paid.

Financings:

See the section entitled "Liquidity and Capital Resources" for the details regarding financings completed by the Company during the three month period ended June 30, 2019, to facilitate the Company's business development initiatives.

DISCUSSION OF OPERATIONS

As the Company has not yet generated revenue, below is a summary of MVMD's plan for its current projects, the status of each relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the projects to the next stage(s).

During the three month period ended June 30, 2019, the Company has primarily focused its efforts on acquiring assets in anticipation of future operations and business development efforts primarily in Colombia as well as in Canada and the United States. Of the four growth pillars MVMD has identified (see the section entitled "Business Overview"), the initial focus in the three month period ended June 30, 2019 was on "cultivation". Most of the expenditures related to these acquisitions occurred following March 31, 2019.

The Company expects that its related expenditures will grow in the second half of its year ended March 31, 2020 (and into the following year). The terms of the completed and proposed acquisitions to date have largely included share-based consideration but, in addition to cash-based consideration, the Company will begin incurring additional expenses when construction begins, primarily in Colombia.

Canada/MVM/098:

MVM, through its wholly owned subsidiary, owns property in or around the City of Nanaimo in the Province of British Colombia (the "Property"). MVM has engaged a third party in evaluating the Property and to assist in determining next steps and timing regarding construction of a facility on the Property.

In May 2019, Health Canada had announced that all new applicants applying for a Cultivation, Processing or Sale for Medical Purposes License would be required to have a fully built site that meets Health Canada requirements at the time of application. MVM would complete its application to Health Canada following the construction of a facility.

Colombia:

On April 11, 2019, MVMD completed its acquisition of the SN Interest (see section entitled "Business Overview").

Following the end of the three-month period ended June 30, 2019, MVMD entered into a letter of intent (the "Colverde LOI") with Colverde MD S.A.S. ("Colverde") and its shareholders with respect to the proposed acquisition of the assets of Colverde by acquiring all of the issued and outstanding shares of Colverde (see the section entitled "Subsequent Events" for details regarding the Colverde LOI, the execution of a definitive agreement resulting from the Colverde LOI, and associated expenditures). Colverde holds a licence for the cultivation of psychoactive cannabis plants issued by the Ministry of Justice and Law and a licence for the manufacture of cannabis derivatives issued by the Ministry of Health and Social Protection.

In addition, Colverde has made application to the Ministry of Justice and Law for a licence for the cultivation of non-psychoactive cannabis plants and for registration with the Colombia Agricultural Institute as a producer of certified seed (the "Pending Licences"). While Colverde also holds a lease for land, pursuant to the laws of Colombia, the licences are not restricted to a single property, which would allow MVMD to acquire leases or ownership of properties throughout Colombia (subject to non-competition restrictions imposed by Sativa Nativa) and utilize the licences broadly as part of achieving its core cultivation business objectives.

The Company is working on acquiring additional assets (such as the Smartek Assets – see the section entitled "Subsequent Events" for definition and additional detail) and forming new relationships and partnership/arrangements in addition to its plans to begin construction of its own facilities in Colombia, to support the foregoing growth in Colombia in the area of cultivation as well as the other three (3) growth pillars (see the section entitled "Business Overview").

United States:

On June 10, 2019, MVMD completed the acquisition of 20% of the equity of CCJC (the "CCJC Interest") (see the section entitled "Business Overview" for details). MVMD and the shareholders of CCJC are in the process of determining the terms and conditions upon which MVMD will be entitled to exercise its option to acquire an additional 40% (for an aggregate 60%) of the issued and outstanding shares of CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 Class "B" common shares. No other expenses are anticipated at this time and there is no expected timeline, or guarantee, with respect to the approval and granting of the DEA Licence.

QUARTERLY FINANCIAL INFORMATION - Consolidated

The following is a summary of the period from incorporation on October 26, 2018 to March 31, 2019 and for the three month period ended June 30, 2019, which have been derived from the financial statements of the Company. This summary should be read in conjunction with the March 31, 2019 audited consolidated financial statements and the interim consolidated statements of the Company for the same periods.

Quarter Ended	Total Sales ($)	Income (Loss) before Other Expenses Expenses (income) ($)	Net Loss for the Period ($)	Net Income (Loss) per Share - Basic and Diluted ($)
March 31, 2019	Nil	(897,032)	(897,032)	(0.01)
June 30, 2019	Nil	(365,952)	(365,952)	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2019, the Company had cash of $4,680,989 and working capital of $4,245,963.

Totals assets on June 30, 2019 were $15,200,743.

To support its business development initiatives to date, including the completed acquisitions (see sections entitled "Business Overview" and "Subsequent Events"), MVMD has completed the following financings:

On December 7, 2018, MVMD issued 45,000,000 Class "A" Common Shares as a private issuer at a price of $0.005 per share, for aggregate gross proceeds of $225,000.

On December 21, 2018, MVMD completed a private placement offering of Class "A" Common Shares as a private issuer at a price of $0.02 per share, for aggregate gross proceeds of $512,500 by the issuance of 25,625,000 Class "A" Common Shares.

On January 9, 2019, MVMD completed a private placement offering of Class "B" (non-voting) Common Shares as a private issuer at a price of $0.05 per share, for aggregate gross proceeds of $613,000 by the issuance of 12,260,000 Class "B" Common Shares.

On January 15, 2019, MVMD began to offer (the "January Offering') units of MVMD (for the purposes of this paragraph, the "Units") on a private placement basis at a subscription price of $0.20 per Unit. Each Unit was comprised of one Class "B" (non-voting) common share and one share purchase warrant (for the purposes of this paragraph, each a "Warrant", collectively the "Warrants") to acquire one Class "B" common share at an exercise price of $0.35 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "Warrant Expiry Date"), subject to forced acceleration of the Warrant Expiry Date in the event that MVMD completes a going public transaction (such as the Proposed Transaction) (the "Going Public Liquidity Event") and thereafter the common shares of the reporting issuer trade at $0.50 or higher for at least three (3) consecutive trading days, whereby MVMD (or the Resulting Issuer following the completion of the Proposed Transaction) may, at its option, accelerate the Warrant Expiry Date by giving notice to the holder thereof and in such case the Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event (such as the Proposed Transaction), the holders of the Units will not be able to trade the Class "B" Common Shares (or Warrants or underlying Class "B" Common Shares comprising the Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. MVMD relied on exemptions from prospectus requirements under National Instrument 45-106 ("NI 45-106"), including execution 2.9 (the offering memorandum exemption).

The first three (3) tranches of the January Offering closed during the year ended March 31, 2019, on February 21, March 8, and March 18th, for gross proceeds of $9,120,332 by the issuance of 45,601,659 Units.
On June 5, 2019, the Company issued 4,302,500 Class B common shares at $0.20 per share for gross proceeds of $860,500 and 4,302,500 Class B common share purchase warrants, completing the fourth and final tranche of the January Offering. The warrants are exercisable at $0.35 per Class B common share and expire two years from the grant date subject to acceleration provisions.

The Company has commenced another private placement financing pursuant to the terms of the Amalgamation Agreement dated June 28, 2019 entered into with Meadow Bay (see the section entitled "Subsequent Events"). Management believes that it will have sufficient capital to complete its business objectives for the next 12 months.

Where possible and reasonable to date, the Company has opted to pay for services and assets by the issuance of securities, in whole or in part, in an effort to conserve cash required for development and operations.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the board of directors, executive officers, key operational management personnel, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. MVMD's key operational management personnel are comprised of the President and Chief Executive Officer of MVMD and the President of MVM.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence was $159,093 during the three month period ended June 30, 2019.

CHANGES IN ACCOUNTING POLICIES INCLUDING

Refer to Note 3 in the June 30, 2019 interim consolidated financial statements of the Company for information on accounting policies.

FINANCIAL INSTRUMENTS

For a detailed description of financial instruments and their associated risks, see note 3 to the Company's interim consolidated financial statements for the period ended June 30, 2019.

OUTSTANDING SHARE DATA

As at the date of the MD&A, the following securities were outstanding:

Class "A" common shares: 70,625,200
Class "B" Common shares: 134,155,807

Warrants: 49,904,159 (see the section entitled "Liquidity and Capital Resources" for exercise details)

Stock options: 8,288,500, exercisable at $0.05 for a period of 5 years from the date upon which the Company completes a going public transaction (such as the Transaction).

SUBSEQUENT EVENTS

On July 3, 2019, the Company issued 773,000 Class B common shares pursuant to shares-for-services agreements. Of this amount, 360,000 shares were in respect of $72,000 included in accounts payable and accrued liabilities as at March 31, 2019.

On July 5, 2019, MVMD entered into a binding letter of intent (the "Smartek LOI") with Smartek International LLC ("Smartek"), a private corporation formed under the laws of the State of New Jersey, and its shareholders. Smartek is in the business of, among other things, developing, manufacturing and licensing desiccated liposomes. The terms of the Smartek LOI provide for the acquisition of certain existing and proposed patents and trademarks and all related intellectual property (such as trade secrets and know-how) (the "Smartek Assets") to develop and commercialize cannabis-based products, as well as complimentary non-cannabis opportunities leveraging the intellectual property across nutraceutical, nicotine, and pharmaceutical applications. MVMD would also acquire related license and/or supply agreements with third parties, which would form part of the Smartek Assets. In consideration for the transfer of the Smartek Assets, MVMD would pay an aggregate of CAD $1,000,000, 25,000,000 Class "B" common shares, and 10,000,000 share purchase warrants with an exercise price of $0.60. The foregoing compensation would be paid over time upon the completion of certain agreed upon milestones. An initial payment of $100,000 (the "Initial Payment") was made on July 11, 2019. The Smartek LOI was amended on October 4th, 2019 to allow for additional time during which the parties could conclude a definitive agreement on an exclusive basis, following which an additional payment of $150,000 was made. In the event that the parties to the Smartek LOI proceed with a definitive agreement, it is also intended that MVMD would engage the services of a shareholder of Smartek and the primary inventor of the Smartek Assets, in a role and capacity to be determined.

On July 9, 2019, MVMD entered into a letter of intent (the "Colverde LOI") with Colverde MD S.A.S. ("Colverde"), a private corporation formed under the laws of the Republic of Colombia, and its shareholders (the "Colverde Vendors"). The terms of the Colverde LOI provide for the acquisition by MVMD, directly or indirectly, from the Vendors of all of the issued and outstanding shares of Colverde (the "Colverde Shares") such that Colverde will become a wholly owned subsidiary of MVMD. See below for additional details regarding the definitive agreement resulting from the Colverde LOI.

On July 11, 2019, MVMD subscribed for a convertible debenture of Meadow Bay in the principal amount of $350,000 ($350,000 paid) including 350,000 warrants pursuant to the amalgamation agreement with Meadow Bay. The debenture bears interest at 10% per annum which accrues and is payable on the earlier of the conversion date or maturity, matures on July 11, 2023, is secured by a general security agreement, is convertible at the option of MVMD in $10,000 increments or multiples thereof and is redeemable in certain circumstances by Meadow Bay.

On July 29, 2019, MVMD began to offer (the "July Offering') units of MVMD (for the purposes of this paragraph, the "Units") on a private placement basis at a subscription price of $0.40 per Unit. Each Unit will be comprised of one Class "B" common share and one-half of one share purchase warrant (for the purposes of this paragraph, each full warrant a "Warrant", collectively the "Warrants"), each full Warrant entitling the holder to acquire one Class "B" common share at an exercise price of $0.60 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "Warrant Expiry Date"), subject to forced acceleration of the Warrant Expiry Date in the event that MVMD completes a going public transaction (such as the amalgamation transaction with MBGC) (the "Going Public Liquidity Event") and thereafter the common shares of the reporting issuer trade at $0.90 or higher for at least three (3) consecutive trading days, whereby MVMD (or the resulting issuer) may, at its option, accelerate the Warrant Expiry Date by giving notice to the holder thereof and in such case the Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event, the holders of the Units will not be able to trade the Class "B" Common Shares (or Warrants or underlying Class "B" common shares comprising the Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public. Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. No closings of the July Offering have yet occurred. In July and August 2019, up to the date of this MD&A, the Company received subscriptions totaling approximately $510,000.

On July 16, 2019, the Company paid $130,000 pursuant to the Colverde LOI

On August 1, 2019, 0987182 BC Co. (subsidiary) renewed the mortgage for a term of six months. The mortgage bears interest at 9.49%, has interest-only monthly payments of $2,452, can be prepaid without penalty and matures on February 1, 2020.

On September 27, 2019, the Company issued 87,500 Class B common shares at $0.20 per share to various individuals for accounts payable.

On September 27, 2019, the Company issued 775,000 Class B common shares pursuant to shares-for-services agreements. This issuance was for CEO services, paid to a company owned or controlled by the President and CEO.

On October 2, 2019, the Company subscribed for 333,333 shares of a Canadian private corporation at $0.75 for a subscription price of $250,000.

Effective October 8, 2019, MVM extended the sublease agreement as the subtenant for office premises in Toronto, Ontario for a period of one year commencing on November 1, 2019 and terminating on October 31, 2020, with the option to renew the lease for an additional period of one year under the same terms and conditions, except as for the further right of renewal. Gross rent was payable in one instalment of $60,000 plus H.S.T. 50% of the premises is being used by another individual who paid 50% of the instalment and is paying 50% of the lease payments directly.

Effective October 15, 2019, the Company agreed to an amendment to the consulting agreement with a company owned and/or controlled by the President and CEO of the Company to extend the initial term of the agreement until February 28, 2020, or such earlier or later date as agreed by the parties, for the same monthly compensation, payable by the issuance of Units pursuant to the July Offering and, following the completion of the July Offering, by the issuance of Class B Common shares of MVMD at a deemed price of $0.40 per share.

On November 4, 2019, the Company entered into a debenture agreement with a Canadian private corporation for $100,000. The debenture bears interest at 5% and matures on November 4, 2022.
Upon entering into the debenture agreement, and after a 60-day due diligence period, the Company will be entitled to an exclusive license to distribute proprietary technology for world use on cannabis and hemp plants. Should the Company not wish to proceed with such a license agreement, the Company will be entitled to demand full repayment of the debenture with interest. The Company will have the right to convert the debenture into equity at any time during the term, upon any additional raise of the private company at a 20% discount.

On November 15, 2019, MVMD entered into a share purchase agreement with Colverde and its shareholders, setting out the terms upon which the Company will acquire all of the issued and outstanding shares of Colverde (the "Colverde Shares"). In consideration for the acquisition of the Colverde Shares, MVMD has agreed to pay an aggregate purchase price (the "Purchase Price") of $130,000 as cash compensation *and* the issuance of 9,750,000 Class "B" common shares at a deemed value of $0.20 per share (the "Colverde Payment Shares"). A deposit of $130,000 (the "Deposit") was made on July 16, 2019 and the Colverde Payment Shares will be issued upon closing. The Colverde Shares to be acquired by MVMD will be held in escrow such that if a going public transaction is not completed by MVMD by a certain date (the "Deadline"), the Purchase Price for the Colverde Shares will instead by paid in cash. The Colverde Payment Shares to be issued to the shareholders of Colverde will be held in escrow pending the approval and issuance of the Pending Licences (see the section entitled "Discussion of Operations").

SCHEDULE "N"

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS OF MOUNTAIN VALLEY MD INC. FOR THE THREE AND SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2019

[see attached]

MOUNTAIN VALLEY MD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

Introduction

This management's discussion and analysis ("MD&A") has been prepared as of December 4, 2019 and should be read in conjunction with the consolidated interim financial statements for the six months ended September 30, 2019 and the audited consolidated financial statements of Mountain Valley MD Inc. (the "Company" or "MVMD") for the year ended March 31, 2019. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward Looking Statements

The information presented in this Management's Discussion and Analysis ("MD&A") contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") for purposes of applicable securities laws.

These forward-looking statements also include, but are not limited to, factors that may affect our ability to achieve our objectives. Such forward–looking statements, including but not limited to those with respect to the Company's future operating and financial results, the Company's competitive and business strategies, the sufficiency of the Company's working capital and its ability to raise future capital, the further development of the Company's business with respect to the acquisition of licences and other assets, competitive conditions of the cannabis industry, changes in the regulatory environment relating to medical and recreational cannabis within Canada and internationally, expansion into international markets and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward– looking statements.

The reader should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

Date of Report

The information in this report is presented as of December 4, 2019.

CORPORATE INFORMATION

Mountain Valley MD Inc. ("MVMD" or the "Company"), was incorporated under the laws of the province of Ontario on October 26, 2018. MVMD is a private corporation operating or intending to operate in intending to become a world-class health and wellness organization centred around cannabis derivatives and focused on the creation of industry leading products that are sought out globally.

As at the date of this MD&A, MVMD has two wholly owned subsidiaries, Mountain Valley Medicinals Inc. ("MVM"), a company incorporated under the laws of the province of British Columbia on March 7, 2018, and MVMD (Colombia) Inc. ("MVMDC"), a corporation incorporated under the laws of the province of Ontario on April 11, 2019. MVM has a wholly owned subsidiary, 0987182 B.C. Ltd. ("098") (formerly Pura Vida Medical Marihuana Incorporation), a company formed under the laws of the Province of British Columbia.

The address of the Company's corporate office and principal place of business is 210 Adelaide Street West, Toronto, Ontario, Canada, M5H 1W7.

BUSINESS OVERVIEW

The Company's proposition is to deliver formulations that have rapid onset, with high bioavailability, with precision dosing technology across various health and wellness categories, including pain management, weight loss, energy, focus, sleep, anxiety, libido and more. Management believes its health and wellness success will be bolstered further through intelligent applications of cannabis-based cannabinoids across its transmucosal delivery product line and other health and wellness products. As such, the Company is also focused on the areas of cultivation, research and development, and manufacturing through strategic acquisitions and partnerships, for the purposes of generating a market-leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

The Company does not yet have revenues but, since incorporation, MVMD has been making acquisitions, forming agreements and generally taking steps to develop its business with a global view on four main growth pillars: 1) cultivation; 2) processing sciences; 3) delivery sciences; and 4) distribution.

<u>Acquisitions</u>:

On January 10, 2019, MVMD completed the acquisition of 100% of MVM's issued and outstanding shares by way of share exchange, entering into a share exchange agreement (the "SEA") with MVM and its shareholders. MVMD issued 54,206,148 Class "B" common shares to the shareholders of MVM on a 1:1 basis. At the time the terms of the SEA were negotiated, an officer and director of MVM was also a director and officer of MVMD.

MVM was formed for the purpose of acquiring 098. 098 was formed for the purpose of making an application to Health Canada to produce and sell high-quality strains of medical grade cannabis. The application was made on or about June 27, 2014 and remained under review during the time of the acquisition by MVMD of MVM. See section entitled "Discussion of Operations" for additional detail about the current status of 098's application.

On January 2, 2019, MVMD entered into a binding letter of intent with Avicanna Inc. ("Avicanna"). Pursuant to the letter of intent, MVMD had agreed to: (i) subscribe for newly issued shares of Sativa Nativa, a corporation formed under the laws of Colombia, of which Avicanna is the majority shareholder, equal to 10% of the then total issued and outstanding shares of Sativa Nativa, for $2,800,000 in cash; and (ii) MVMD would acquire an additional 15% of the then total issued and outstanding shares of Sativa Nativa from shareholders of Avicanna for $2,000,000 in cash and $2,200,000 worth of MVMD Class B common shares. See below for details regarding the completion of the foregoing transaction.

On December 20, 2018, MVMD issued a loan equal to USD $600,000 (the "CCJC Loan") to CCJC Inc. ("CCJC"), a private Nevada corporation, and, on the same date, entered into a term sheet with CCJC (the "CCJC Term Sheet"), the intention of the parties being that the CCJC Loan be converted into equity in CCJC pursuant to the CCJC Term Sheet. CCJC is the majority shareholder (90%) of a US private corporation (the "Applicant") who has made an application (the "DEA Application") with the U.S. Drug Enforcement Administration ("DEA") to become registered under the Controlled Substances Act (United States) to manufacture marijuana to supply to researchers in the United States (the "DEA Licence"). Pursuant to the terms of the CCJC Term Sheet, MVMD would acquire newly issued shares from CCJC representing 10% of the issued and outstanding shares of CCJC (following issuance) in consideration for USD $600,000, to be paid by way of conversion of the CCJC Loan. MVMD would acquire an additional 10% from the existing shareholders of CCJC by way of share purchase, in consideration for the issuance of 5,000,000 Class "B" common shares. Further, MVMD would acquire the right to purchase an additional 40% of the issued and outstanding shares for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 Class "B" common shares. See below for details regarding the completion of the foregoing transaction.

On April 11, 2019, MVMD completed the transaction contemplated in the letter of intent with Avicanna. MVMD entered into a Subscription and Share Purchase Agreement with Sativa Nativa, Avicanna and certain shareholders of Sativa Nativa, resulting in the acquisition by MVMDC of an aggregate 25% of the issued and outstanding shares of Sativa Nativa (the "SN Interest"). MVMD acquired 7,892,248 common shares of Sativa Nativa, representing 10% of the issued and outstanding shares of Sativa Nativa (following issuance), for a subscription price of CAD $2,800,000, and another 26,838,372 common shares of Sativa Nativa from its shareholders other than Avicanna, representing 15% of the issued and outstanding shares of Sativa Nativa, for a purchase price of CAD $4,200,000 by way of a monetary payment of CAD $2,000,000 and the issuance of 11,000,000 MVMD Class B Shares.

On May 9, 2019, MVMD acquired 700,000 ordinary shares in the capital stock of Winchester MD Limited ("Winchester"), a private company with its registered office in London, England, representing, as at July 2, 2019, approximately 2.6% of the ordinary shares of Winchester. Winchester is an established, fully-integrated European based medical cannabis company that operates an online store called HempElf and offers over 100 products for sale. MVMD believes that its relationship with Winchester MD will be valuable for European market expansion and supply agreements in the future.

On June 10, 2019, MVMD entered into a subscription agreement with CCJC to acquire 1,333,333 common shares of CCJC, representing 10% of the issued and outstanding shares of CCJC (following issuance), for an aggregate subscription price of USD $600,000 (USD $0.20 per share) by way of conversion of the CCJC Loan. MVMD also entered into share purchase agreements (the "Share Purchase Agreements") with the shareholders of CCJC to acquire an additional 1,333,334 common shares of CCJC, representing an additional 10% of the issued and outstanding shares of CCJC, in consideration for an aggregate purchase price of $1,000,000 by the issuance of an aggregate 5,000,000 MVMD Class B Shares at a deemed price of $0.20 per share. Pursuant to the terms of the Share Purchase Agreements, MVMD acquired the right to purchase an additional 40% of the issued and outstanding shares in CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 MVMD Class B Shares on terms to be negotiated in good faith by MVMD and the shareholders of CCJC. There is no expected timeline, or guarantee, with respect to the approval and granting of the DEA Licence.

Reverse Takeover/Amalgamation:

On June 28, 2019, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with Meadow Bay Gold Corporation ("Meadow Bay") and 2700915 Ontario Inc. (a wholly-owned subsidiary of Meadow Bay) that provides for the completion of a reverse-takeover by MVMD of Meadow Bay by way of a three-cornered amalgamation (the "Transaction").

The principal terms of the Transaction are as follows:

1. Meadow Bay will complete an 8 for 1 share consolidation (the "Consolidation"), which will reduce the number of Meadow Bay's issued and outstanding common shares from 50,056,229 pre-consolidation common shares to 6,257,029 post-consolidation common shares.

2. Meadow Bay will change its name to "Mountain Valley MD Inc." or as otherwise agreed to by the parties to the Amalgamation Agreement.

3. MVMD, Meadow Bay and 2700915 will complete a triangular amalgamation, wherein MVMD will amalgamate with 2700915 (the "Amalgamation") and as a result of the Amalgamation, Meadow Bay will thereby acquire all of the outstanding shares of MVMD in exchange for common shares of the company resulting from the Amalgamation (the "Resulting Issuer") on a one for one basis (the "Resulting Issuer Shares").

A finder's fee equal to 3% of the Resulting Issuer Shares to be issued to the shareholders of MVMD prior to the Transaction will be paid.

Financings:

See the section entitled "Liquidity and Capital Resources" for the details regarding financings completed by the Company during the six month period ended September 30, 2019, to facilitate the Company's business development initiatives.

DISCUSSION OF OPERATIONS

As the Company has not yet generated revenue, below is a summary of MVMD's plan for its current projects, the status of each relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the projects to the next stage(s).

During the six month period ended September 30, 2019, the Company has primarily focused its efforts on acquiring assets in anticipation of future operations and business development efforts primarily in Colombia as well as in Canada and the United States. Of the four growth pillars MVMD has identified (see the section entitled "Business Overview"). Most of the expenditures related to these acquisitions occurred following March 31, 2019.

The Company expects that its related expenditures will grow in the second half of its year ended March 31, 2020 (and into the following year). The terms of the completed and proposed acquisitions to date have largely included share-based consideration but, in addition to cash-based consideration, the Company will begin incurring additional expenses when construction begins, primarily in Colombia.

Canada/MVM/098:

MVM, through its wholly owned subsidiary, owns property in or around the City of Nanaimo in the Province of British Colombia (the "Property"). MVM has engaged a third party in evaluating the Property and to assist in determining next steps and timing regarding construction of a facility on the Property.

In May 2019, Health Canada had announced that all new applicants applying for a Cultivation, Processing or Sale for Medical Purposes License would be required to have a fully built site that meets Health Canada requirements at the time of application. MVM would complete its application to Health Canada following the construction of a facility.

Colombia:

On April 11, 2019, MVMD completed its acquisition of the SN Interest (see section entitled "Business Overview").

Following the six-month period ended September 30, 2019, MVMD entered into a share purchase agreement with Colverde and its shareholders, setting out the terms upon which the Company will acquire all of the issued and outstanding shares of Colverde (the "Colverde Shares"). (see the section entitled "Subsequent Events" for details regarding the Colverde agreement).

The Company is working on acquiring additional assets (such as the Smartek Assets – see the section entitled "Subsequent Events" for definition and additional detail) and forming new relationships and partnership/arrangements in addition to its plans to begin construction of its own facilities in Colombia, to support the foregoing growth in Colombia in the area of cultivation as well as the other three (3) growth pillars (see the section entitled "Business Overview").

United States:

On June 10, 2019, MVMD completed the acquisition of 20% of the equity of CCJC (the "CCJC Interest") (see the section entitled "Business Overview" for details). MVMD and the shareholders of CCJC are in the process of determining the terms and conditions upon which MVMD will be entitled to exercise its option to acquire an additional 40% (for an aggregate 60%) of the issued and outstanding shares of CCJC for an additional payment of USD $2,000,000 together with the issuance of 8,000,000 Class "B" common shares. No other expenses are anticipated at this time and there is no expected timeline, or guarantee, with respect to the approval and granting of the DEA Licence.

QUARTERLY FINANCIAL INFORMATION - Consolidated

The following is a summary of the period from incorporation on October 26, 2018 to March 31, 2019 and for the six month period ended September 30, 2019, which have been derived from the financial statements of the Company. This summary should be read in conjunction with the March 31, 2019 audited consolidated financial statements and the interim consolidated statements of the Company for the same periods.

Quarter Ended	Total Sales ($)	Income (Loss) before Other Expenses Expenses (income) ($)	Net Loss for the Period ($)	Net Income (Loss) per Share - Basic and Diluted ($)
March 31, 2019	Nil	(897,032)	(897,032)	(0.01)
September 30, 2019	Nil	(876,336)	(876,336)	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Company had cash of $4,119,288 and working capital of $3,654,646.

Totals assets on September 30, 2019 were $15,236,291.

To support its business development initiatives to date, including the completed acquisitions (see sections entitled "Business Overview" and "Subsequent Events"), MVMD has completed the following financings:

On December 7, 2018, MVMD issued 45,000,000 Class "A" Common Shares as a private issuer at a price of $0.005 per share, for aggregate gross proceeds of $225,000.

On December 21, 2018, MVMD completed a private placement offering of Class "A" Common Shares as a private issuer at a price of $0.02 per share, for aggregate gross proceeds of $512,500 by the issuance of 25,625,000 Class "A" Common Shares.

On January 9, 2019, MVMD completed a private placement offering of Class "B" (non-voting) Common Shares as a private issuer at a price of $0.05 per share, for aggregate gross proceeds of $613,000 by the issuance of 12,260,000 Class "B" Common Shares.

On January 15, 2019, MVMD began to offer (the "January Offering') units of MVMD (for the purposes of this paragraph, the "Units") on a private placement basis at a subscription price of $0.20 per Unit. Each Unit was comprised of one Class "B" (non-voting) common share and one share purchase warrant (for the purposes of this paragraph, each a "Warrant", collectively the "Warrants") to acquire one Class "B" common share at an exercise price of $0.35 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "Warrant Expiry Date"), subject to forced acceleration of the Warrant Expiry Date in the event that MVMD completes a going public transaction (such as the Proposed Transaction) (the "Going Public Liquidity Event") and thereafter the common shares of the reporting issuer trade at $0.50 or higher for at least three (3) consecutive trading days, whereby MVMD (or the Resulting Issuer following the completion of the Proposed Transaction) may, at its option, accelerate the Warrant Expiry Date by giving notice to the holder thereof and in such case the Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event (such as the Proposed Transaction), the holders of the Units will not be able to trade the Class "B" Common Shares (or Warrants or underlying Class "B" Common Shares comprising the Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. MVMD relied on exemptions from prospectus requirements under National Instrument 45-106 ("NI 45-106"), including execution 2.9 (the offering memorandum exemption).

The first three (3) tranches of the January Offering closed during the year ended March 31, 2019, on February 21, March 8, and March 18th, for gross proceeds of $9,120,332 by the issuance of 45,601,659 Units.
On June 5, 2019, the Company issued 4,302,500 Class B common shares at $0.20 per share for gross proceeds of $860,500 and 4,302,500 Class B common share purchase warrants, completing the fourth and final tranche of the January Offering. The warrants are exercisable at $0.35 per Class B common share and expire two years from the grant date subject to acceleration provisions.

On July 29, 2019, MVMD began to offer (the "July Offering') units of MVMD (for the purposes of this paragraph, the "Units") on a private placement basis at a subscription price of $0.40 per Unit. Each Unit will be comprised of one Class "B" common share and one-half of one share purchase warrant (for the purposes of this paragraph, each full warrant a "Warrant", collectively the "Warrants"), each full Warrant entitling the holder to acquire one Class "B" common share at an exercise price of $0.60 per share for a period ending twenty-four (24) months after the issuance date (for the purposes of this paragraph, the "Warrant Expiry Date"), subject to forced acceleration of the Warrant Expiry Date in the event that MVMD completes a going public transaction (such as the amalgamation transaction with MBGC) (the "Going Public Liquidity Event") and thereafter the common shares of the reporting issuer trade at $0.90 or higher for at least three (3) consecutive trading days, whereby MVMD (or the resulting issuer) may, at its option, accelerate the Warrant Expiry Date by giving notice to the holder thereof and in such case the Warrants will expire at 5:00 p.m. (Toronto time) on the date which is the 30th day after the date on which such notice is given by MVMD. Also in the event of a Going Public Liquidity Event, the holders of the Units will not be able to trade the Class "B" Common Shares (or Warrants or underlying Class "B" common shares comprising the Units) except as follows: 1/3 no earlier than 60 days following the Going Public Liquidity Event, an additional 1/3 no earlier than 120 days following the Going Public. Liquidity Event, an additional/the final 1/3 no earlier than 180 days following the Going Public Liquidity Event. No closings of the July Offering have yet occurred. In July and August 2019, up to the date of this MD&A, the Company received subscriptions totaling approximately $510,000.

Where possible and reasonable to date, the Company has opted to pay for services and assets by the issuance of securities, in whole or in part, in an effort to conserve cash required for development and operations.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the board of directors, executive officers, key operational management personnel, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. MVMD's key operational management personnel are comprised of the President and Chief Executive Officer of MVMD and the President of MVM.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence was $331,593 during the six month period ended September 30, 2019. Included in accounts payable and accrued liabilities as at September 30, 2019, was $57,500 owing to related parties.

CHANGES IN ACCOUNTING POLICIES INCLUDING

Refer to Note 3 in the September 30, 2019 interim consolidated financial statements of the Company for information on accounting policies.

FINANCIAL INSTRUMENTS

For a detailed description of financial instruments and their associated risks, see note 3 to the Company's interim consolidated financial statements for the period ended September 30, 2019.

OUTSTANDING SHARE DATA

As at the date of the MD&A, the following securities were outstanding:

Class "A" common shares: 70,625,200
Class "B" Common shares: 134,155,807

Warrants: 49,904,159 (see the section entitled "Liquidity and Capital Resources" for exercise details)

Stock options: 8,288,500, exercisable at $0.05 for a period of 5 years from the date upon which the Company completes a going public transaction (such as the Transaction).

SUBSEQUENT EVENTS

On October 2, 2019, the Company subscribed for 333,333 shares of a Canadian private corporation at $0.75 for a subscription price of $250,000.

Effective October 8, 2019, MVM extended the sublease agreement as the subtenant for office premises in Toronto, Ontario for a period of one year commencing on November 1, 2019 and terminating on October 31, 2020, with the option to renew the lease for an additional period of one year under the same terms and conditions, except as for the further right of renewal. Gross rent was payable in one instalment of $60,000 plus H.S.T. 50% of the premises is being used by another individual who paid 50% of the instalment and is paying 50% of the lease payments directly.

Effective October 15, 2019, the Company agreed to an amendment to the consulting agreement with a company owned and/or controlled by the President and CEO of the Company to extend the initial term of the agreement until February 28, 2020, or such earlier or later date as agreed by the parties, for the same monthly compensation, payable by the issuance of Units pursuant to the July Offering and, following the completion of the July Offering, by the issuance of Class B Common shares of MVMD at a deemed price of $0.40 per share.

On November 4, 2019, the Company entered into a debenture agreement with a Canadian private corporation for $100,000. The debenture bears interest at 5% and matures on November 4, 2022.
Upon entering into the debenture agreement, and after a 60-day due diligence period, the Company will be entitled to an exclusive license to distribute proprietary technology for world use on cannabis and hemp plants. Should the Company not wish to proceed with such a license agreement, the Company will be entitled to demand full repayment of the debenture with interest. The Company will have the right to convert the debenture into equity at any time during the term, upon any additional raise of the private company at a 20% discount.

On November 15, 2019, MVMD entered into a share purchase agreement with Colverde and its shareholders, setting out the terms upon which the Company will acquire all of the issued and outstanding shares of Colverde (the "Colverde Shares"). In consideration for the acquisition of the Colverde Shares, MVMD has agreed to pay an aggregate purchase price (the "Purchase Price") of $130,000 as cash compensation *and* the issuance of 9,750,000 Class "B" common shares at a deemed value of $0.20 per share (the "Colverde Payment Shares"). A deposit of $130,000 (the "Deposit") was made on July 16, 2019 and the Colverde Payment Shares will be issued upon closing. The Colverde Shares to be acquired by MVMD will be held in escrow such that if a going public transaction is not completed by MVMD by a certain date (the "Deadline"), the Purchase Price for the Colverde Shares will instead by paid in cash. The Colverde Payment Shares to be issued to the shareholders of Colverde will be held in escrow pending the approval and issuance of the Pending Licences (see the section entitled "Discussion of Operations").

SCHEDULE "O"

PRO FORMA FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

[see attached]

Meadow Bay Gold Corporation

Pro Forma Consolidated Financial Statements

September 30, 2019

(Unaudited)

(Expressed in Canadian Dollars)

Meadow Bay Gold Corporation
Pro Forma Consolidated Statement of Financial Position
September 30, 2019
(Unaudited) – (Expressed in Canadian Dollars)

	Meadow Bay Gold Corporation September 30, 2019	Mountain Valley MD Inc. September 30, 2019	Pro Forma Adjustments	Notes	Consolidated Pro Forma
Assets					
Current					
Cash	-	4,119,288	338,000	4(a)	4,457,288
GST/HST recoverable	-	47,639	-		47,639
Other receivable	24,713	-	-		24,713
Prepaid expenses	12,783	96,833	-		109,616
Deposit - acquisition	-	230,000	-		230,000
Assets held for sale	6,283,016	-	(5,361,460)	3	921,556
	6,320,512	4,493,760	(5,023,460)		5,790,812
Non-current					
Convertible note	-	350,000	(350,000)	3	-
Long term investments	-	9,002,531	-		9,002,531
Right of use asset	21,010	-	-	3	21,010
Plant and equipment	-	1,390,000	-		1,390,000
	21,010	10,742,531	(350,000)		10,413,541
Total assets	6,341,522	15,236,291	(5,373,460)		16,204,353
Liabilities					
Current					
Bank indebtedness	1,298	-	-		1,298
Accounts payable and accrued liabilities	383,893	299,114	331,000	3, 4(d)	1,014,007
Amounts payable to related parties	50,270	-	-		50,270
Mortgage payable	-	310,000	-		310,000
Current portion of lease payable	21,922	-	-		21,922
Total current liabilities	457,383	609,114	331,000		1,397,497
Non-current					
Convertible debenture units	303,540	-	(303,540)	3	-
Liabilities held for sale	21,556	-	-		21,556
	325,096	-	(303,540)		21,556
Total liabilities	782,479	609,114	27,460		1,419,053
Shareholders' Equity					
Share capital	35,048,332	16,228,578	(35,048,332)	4(b)	16,228,578
	-	-	1,501,687	3	1,501,687
Share subscriptions received	-	171,967	338,000	4(a)	509,967
Contributed surplus	7,172,447	-	(7,172,447)	4(b)	-
Accumulated other comprehensive income	4,382,157	-	(4,382,157)	4(b)	-
Deficit	(41,043,893)	(1,773,368)	39,362,329	3, 4(b), 4(d)	(3,454,932)
Total shareholders' equity	5,559,043	14,627,177	(5,400,920)		14,785,300
Total liabilities and shareholders' equity	6,341,522	15,236,291	(5,373,460)		16,204,353

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

Meadow Bay Gold Corporation
Pro Forma Consolidated Statement of Comprehensive Loss
Period Ended September 30, 2019
(Unaudited) – (Expressed in Canadian Dollars)

	Meadow Bay Gold Corporation Six month period ended September 30, 2019	Mountain Valley MD Inc. Six month period ended September 30, 2019	Pro Forma Adjustments	Notes	Consolidated Pro Forma
Operating expenses					
Consulting - general and administration	63,000	370,985	-		433,985
Depreciation	14,007	-	-		14,007
Interest on convertible debentures	10,313	-	-		10,313
Interest on lease payments	869	-	-		869
Office and administration	38,686	16,821	-		55,507
Professional fees	130,204	355,101	-		485,305
Trade shows and investor relations	10,721	-	-		10,721
Transfer agent and filing	22,920	-	-		22,920
Mortgage interest	-	11,700	-		11,700
Rent	-	10,500	-		10,500
Travel	4,371	75,528	-		79,899
Expenses related to proposed greenhouse	-	40,658	-		40,658
Operating loss before other items	(295,091)	(881,293)	-		(1,176,384)
Listing expense	-	-	(1,681,564)	3	(1,681,564)
Investment income	-	432	-		432
Unrealized gain on investments	-	4,525	-		4,525
Loss from discontinued operations	(123,337)	-	-		(123,337)
Net loss for the year	(418,428)	(876,336)	-		(2,976,328)
Other comprehensive loss					
Translation adjustment	(1,350)	-	-		(1,350)
Comprehensive loss for the year	(419,778)	(876,336)	-		(2,977,678)
Loss per share					
Basic	(0.01)	(0.00)			(0.01)
Diluted	(0.01)	(0.00)			(0.01)
Weighted average number of shares outstanding					
Basic	50,056,229	200,568,933			204,781,007
Diluted	50,056,229	200,568,933			204,781,007

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

Meadow Bay Gold Corporation
Pro Forma Consolidated Statement of Comprehensive Loss
Period Ended March 31, 2019
(Unaudited) – (Expressed in Canadian Dollars)

	Meadow Bay Gold Corporation Year Ended March 31, 2019	Mountain Valley MD Inc. Period from incorporation on October 26, 2018 to March 31, 2019	Pro Forma Adjustments	Notes	Consolidated Pro Forma
Operating expenses					
Consulting - general and administration	126,000	522,899	-		648,899
Depreciation	32,679	-	-		32,679
Maintenance of claims	85,495	-	-		85,495
Office and administration	176,164	9,210	-		185,374
Professional fees	119,529	205,925	-		325,454
Trade shows and investor relations	16,883	-	-		16,883
Transfer agent and filing	48,075	-	-		48,075
Mortgage interest	-	9,799	-		9,799
Property taxes	-	1,046	-		1,046
Rent	-	10,500	-		10,500
Utilities	-	5,373	-		5,373
Travel	19,410	132,280	-		151,690
Operating loss before other items	(624,235)	(897,032)	-		(1,521,267)
Listing expense	-	-	(1,684,564)	3	(1,684,564)
Impairment of exploration and evaluation assets	(22,221,772)	-	22,221,772	4(d)	-
Net loss for the year	(22,846,007)	(897,032)	20,537,208		(3,205,831)
Other comprehensive loss					
Translation adjustment	623,037	-	-		623,037
Comprehensive loss for the year	(22,222,970)	(897,032)	20,537,208		(2,582,794)
Loss per share					
Basic	(0.46)	(0.01)			(0.01)
Diluted	(0.46)	(0.01)			(0.01)
Weighted average number of shares outstanding					
Basic	50,056,229	93,720,659			233,037,429
Diluted	50,056,229	93,720,659			233,037,429

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

1. Basis of Presentation

The accompanying unaudited pro forma consolidated financial statements have been prepared by the management of Meadow Bay Gold Corporation ("Meadow Bay" or the "Company") for inclusion in the Company's Listing Statement in connection with the amalgamation agreement to between Meadow Bay and Mountain Valley MD Inc. ("Mountain Valley") (the "Amalgamation Agreement").

The pro forma consolidated statement of financial position has been prepared assuming the Amalgamation Agreement had occurred on September 30, 2019. The pro forma consolidated statement of loss and comprehensive loss for the year ended September 30, 2019 have been prepared as if the Amalgamation Agreement had occurred on October 1, 2019. These pro forma consolidated financial statements of the Company have been compiled from and include:

a) Unaudited pro forma consolidated statement of financial position as at September 30, 2019 combining the unaudited consolidated statements of financial position of Meadow Bay and Mountain Valley as at September 30, 2019.

b) Unaudited pro forma consolidated statement of loss and comprehensive loss for the year ended September 30, 2019 combining the unaudited consolidated statements of loss and comprehensive loss of Meadow Bay for the six month period ended September 30, 2019 and the unaudited consolidated statements of loss and comprehensive loss of Mountain Valley for the six month period ended September 30, 2019.

   Intercompany transactions have been eliminated.

The unaudited pro forma consolidated financial statements should be read in conjunction with the unaudited consolidated financial statements of the Company as at and for the six months ended September 30, 2019 and notes included therein, as referred to above or available at www.sedar.com.

It is management's opinion that these pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described herein and are in accordance with International Financial Reporting Standards ("IFRS"). The pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro forma consolidated financial information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro forma consolidated financial statements and the differences may be material.

2. Summary of Significant Accounting Policies

The unaudited pro forma consolidated statement of financial position has been compiled using the significant accounting policies as set out in the audited financial statements of Meadow Bay and Mountain Valley as described in the notes to their audited financial statements for the year ended March 31, 2019.

3. Amalgamation Agreement

On June 28, 2019, Mountain Valley entered into an Amalgamation Agreement with Meadow Bay, a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and a wholly-owned

Ontario subsidiary of Meadow Bay ("Subco") to effect the combination of their respective businesses and assets by way of a three cornered amalgamation between Meadow Bay, Mountain Valley and Subco to form a new corporation ("Amalco"). Pursuant to the Amalgamation Agreement:

- Meadow Bay will consolidate its issued and outstanding common shares on an 8:1 basis;
- Meadow Valley will subscribe for 350 Meadow Bay convertible debenture units ("Unit"). Each Unit is comprised of one Meadow Bay convertible debenture in the principal amount of $1,000 bearing interest at 10% per annum with maturity date of four years and 1,000 Meadow Bay convertible debenture warrants with each warrant being exercisable for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06. Each Unit is convertible into one pre-consolidation common share and one warrant of Meadow Bay with each warrant being convertible into one pre-consolidation common share of Meadow Bay for a period of five years from the date of issuance at a pre-consolidation exercise price of $0.06.
- Meadow Bay may proceed with a potential private placement offering of up to an additional 150 Units to raise additional gross proceeds of $150,000;
- Meadow Valley will complete a private placement; and
- If Meadow Valley terminates the amalgamation agreement because of an uncured breach by Meadow Bay and Meadow Bay consummates an acquisition transaction within one year of the date of the termination, Meadow Bay will pay a $500,000 break fee to Mountain Valley.

On the effective date of the amalgamation:

- Subco and Meadow Valley will amalgamate to form Amalco and will continue as on as one corporation;
- Every Mountain Valley Class A and Class B common share prior to the amalgamation will receive one post-consolidation Meadow Bay common share;
- Every Subco share prior to the amalgamation will receive one Amalco share; and
- The name of Amalco will be Mountain Valley MD Inc. or such other name as otherwise agreed to.

  The transaction will constitute a reverse take-over ("RTO") for accounting purposes, as certain Mountain Valley shareholders will hold a majority voting interest in the amalgamated entity, the majority of the Board of Directors will comprise of Mountain Valley shareholders and the management of Mountain Valley will become senior management of the amalgamated company. Although Meadow Bay will be regarded as the legal parent and continuing company. Mountain Valley will be the acquirer for accounting purposes. Consequently, Mountain Valley will be deemed a continuation of the reporting entity, and control of the assets and operations of the Company will be deemed to have been acquired in consideration for the issuance of the Company's shares to the former shareholders of Mountain Valley. At the time of this transaction, the Company did not constitute a business as defined under IFRS 3, Business Combinations; therefore, the transaction is accounted for under IFRS 2, Share Based Payment, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a listing expense. The net assets acquired pursuant to the acquisition are as follows:

Accounting for the acquisition as a reverse take over result in the following:

Allocation of Purchase Consideration	
Cash and cash equivalents	-
Other receivable	24,713
Prepaid expenses	12,783
Assets held for sale	900,000
Right of use asset	21,010
Accounts payable and accrued liabilities	(385,191)
Amounts payable to related parties	(50,270)
Lease payable	(21,922)
Net assets acquired	501,123
Listing expense	1,681,564
Total	2,182,687

Total Purchase Consideration	
Common shares	1,501,687
Transaction fees	681,000
Total purchase consideration	2,182,687

- The difference between the fair value of consideration paid and the fair value of the net assets of the Company of $1,681,564 has been reflected as a listing expense, being the cost of obtaining a listing on the CSE.

- The consolidated statements of the combined entities are issued as the financial statements of the legal parent, Meadow Bay, but are considered a continuation of the legal subsidiary, Mountain Valley.

- Since Meadow Bay is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the unaudited pro forma consolidated financial statements at their historical carrying costs.

- In connection with the acquisition, the former shareholders of Meadow Bay retained 50,056,229 common shares of the Company.

- The fair value of the 50,056,229 common shares was determined to be $1,501,687, based on the fair value of the common shares on January 13, 2019.

- The Company expects estimated transactions costs in the amount of $555,000

For purposes of preparing the unaudited consolidated pro forma financial statements, the net assets acquired are measured at preliminarily estimated fair values at September 30, 2019. A final determination of fair values and consideration given will be based on the actual assets and liabilities that exist at closing date and on actual fair value of the Mountain Valley shares at that time. Accordingly the estimated fair values of assets and liabilities reflected in the table above are preliminary and subject to change pending additional information and facts that may be known at the closing date.

4. Pro Forma Assumptions and Adjustments

a) Mountain Valley received subscriptions for gross proceeds of $338,000 related to an offering of units at $0.40 per unity consisting of one Class B common share and one half share purchase warrant, each full warrant exercisable at $0.60 to purchase one Class B common share for 2 years from the date of issuance, subject to acceleration provisions.

b) As a result of the reverse acquisition, the pro-forma consolidated statement of financial position has been adjusted for the elimination of Meadow Bay's share capital, reserves and deficit.

c) Giving effect to the transaction as at April 1, 2019 would have resulted in a value attributed to the exploration and evaluation assets of $1,433,968 at initial recognition (note 3) and accordingly an impairment would not have been recorded during the year ended March 31, 2019.

d) $126,000 accrual was made for consulting fees owing to key management.

5. Share Capital

Share capital as at September 30, 2019 in the unaudited pro forma consolidated financial statements is comprised of the following:

	Class A Number of shares	Class B Number of shares	Capital stock	Subscriptions received
Authorized				
Unlimited common shares without par value				
Issued				
Balance as at March 31, 2019	70,625,200	112,217,807	11,523,681	10,000
Shares issued for investment	-	16,000,000	3,200,000	-
Shares issued for services	-	1,960,500	392,100	-
Shares issued for private placement at $0.20	-	3,977,500	795,500	(10,000)
Shares issued for private placement at $0.40	-	-	-	171,967
Total	70,625,200	13,277,530	10,000	

6. Pro Forma Net Loss Per Share

Net loss per common share is calculated by dividing the pro forma net loss applicable to common shares by the weighted average number of common shares outstanding for the six months ended September 30, 2019 and reflects the common share issuances as if they had taken place at April 1, 2018.

7. Income Taxes

The pro forma effective tax rate applicable to the consolidated operations will be 27%.

Meadow Bay has non-capital loss carry forwards of approximately $9,468,975 as at September 30, 2019. Mountain Valley has non-capital loss carry forwards of approximately $1,799,811 as at September 30, 2019.

Given uncertainty on how and when these taxes can be utilized, no adjustment has been made to these unaudited pro forma consolidated financial statements.