Omni Commerce Corp.

(Formerly Mezzi Holdings Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF OMNI COMMERCE CORP.
(Formerly Mezzi Holdings Inc.)

We have audited the accompanying consolidated financial statements of Omni Commerce Corp., which comprise the consolidated statements of financial position as at April 30, 2018 and 2017 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Omni Commerce Corp. as at April 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 28, 2018

Omni Commerce Corp. (formerly Mezzi Holdings Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT APRIL 30

		2018		2017
ASSETS				
Current assets				
Cash and cash equivalents	$	3,899,419	$	14,886
Marketable securities (Note 6)		22,800		-
Amounts receivable (Note 7)		34,893		14,133
Prepaid expenses		8,566		50,538
Inventory (Note 8)		-		81,402
Total current assets		3,965,678		160,959
Non-current assets				
Furniture and equipment (Notes 5 & 9)		-		8,303
Intangible assets (Note 10)		1		1,322,806
Goodwill (Notes 5 & 11)		-		34,355
Total non-current assets		1		1,365,464
Total assets	$	3,965,679	$	1,526,423
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Notes 12 & 15)	$	264,178	$	313,487
Loans payable (Note 13)		-		65,474
Total current liabilities		264,178		378,961
Non-current liabilities				
Contingent consideration (Note 11)		-		11,320
Total liabilities		264,178		390,281
Equity				
Share capital (Note 14)		16,066,397		10,636,278
Share subscriptions receivable		(245,920)		-
Reserves (Note 14)		785,304		598,755
Deficit		(12,904,280)		(10,098,891)
Total equity		3,701,501		1,136,142
Total liabilities and equity	$	3,965,679	$	1,526,423

Commitment (Note 19)
Subsequent events (Note 22)

Approved and authorized on behalf of the Board:

"Anthony Srdanovic", Director *"Ed Low"*, Director

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

Omni Commerce Corp. (formerly Mezzi Holdings Inc.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30,

		2018		2017
EXPENSES				
Amortization	$	3,810	$	2,641
Consulting		476,892		699,443
Interest expense		1,706		8,426
Management fees (Note 15)		108,000		218,500
Marketing		36,639		607,282
Office and miscellaneous		152,444		211,240
Professional fees (Note 15)		164,265		196,447
Salaries		27,050		219,560
Shareholder communication		260,965		373,687
Share-based payments (Notes 14 & 15)		49,629		801,930
Transfer agent and regulatory fees		30,242		37,790
Travel and accommodation		9,742		79,022
		(1,321,384)		(3,455,968)
OTHER ITEMS				
Foreign exchange gain (loss)		4,212		(18,805)
Gain (loss) on extinguishment of debt (Note 12)		(17,275)		21,441
Gain on settlement of accounts payable		-		17,500
Product development costs		-		(3,484)
Other income		28,169		-
Write-off of accounts payable		53,001		1,069
Write-off of equipment (Note 9)		(4,493)		-
Impairment of marketable securities		(7,200)		-
Total other items		56,414		17,721
Loss from continuing operations		(1,264,970)		(3,438,247)
Loss from discontinued operations (Note 5)		(1,554,093)		(143,742)
Net loss for the year	$	(2,819,063)	$	(3,581,989)
Attributed to				
Equity holders of the Company		(2,805,389)		(3,581,989)
Non-controlling interest		(13,674)		-
Loss per share from continuing operations, basic and diluted	$	(0.06)	$	(0.61)
Loss per share from discontinued operations, basic and diluted	$	(0.08)	$	(0.01)
OTHER COMPREHENSIVE INCOME (LOSS)				
Currency translation adjustment		1,276		(3,868)
Comprehensive loss for the year	$	(2,817,787)	$	(3,585,857)
Weighted average number of common shares outstanding		19,708,802		5,751,902

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

Omni Commerce Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30,

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss from continuing operations for the year	$ (1,264,970)	$ (3,438,247)
Items not affecting cash:		
Accrued interest	-	8,421
Amortization	3,810	2,641
Shares issued for services	-	337,500
Share-based payments	49,629	801,930
Write-off of equipment	4,493	-
Write-down of accounts payable	(53,001)	(1,069)
Gain on settlement of accounts payable	-	(17,500)
Gain on extinguishment of debt	-	(21,441)
Impairment of marketable securities	7,200	-
Changes in non-cash working capital items:		
Amounts receivable	(20,760)	25,843
Prepaid expenses	41,972	55,726
Accounts payable and accrued liabilities	208,692	570,690
Operating cash flow used in continuing operations	(1,022,935)	(1,675,506)
Operating cash flow used in discontinued operations (Note 5)	(2,351)	(65,714)
Net cash used by operating activities	(1,025,286)	(1,741,220)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of marketable securities	(30,000)	-
Net cash used in investing activities from continuing operations	(30,000)	-
Net cash provided by investing activities from discontinued operations (Note 5)	105,000	-
Net cash provided by investing activities	75,000	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from private placements	5,196,303	927,400
Proceeds from exercise of warrants	81,500	200,000
Proceeds from exercise of stock options	-	445,200
Share issuance costs	(378,786)	(43,672)
Loans received	-	221,816
Loans repayment	(65,474)	(78,211)
Net cash provided by financing activities	4,833,543	1,672,533
Effects of translation	1,276	3,868
Change in cash and cash equivalents for the year	3,884,533	(64,819)
Cash and cash equivalents, beginning of year	14,886	79,705
Cash and cash equivalents, end of year	$ 3,899,419	$ 14,886

Supplemental cash flow information (Note 21)

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

Omni Commerce Corp.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED APRIL 30, 2018 AND 2017

	Share Capital						
	Common Shares	Amount	Reserves	Deficit	Equity attributable to the owners of the Company	Non-controlling interest	Total Equity
Balance, April 30, 2016	4,899,365	$ 7,573,688	$ 634,160	$ (6,693,501)	$ 1,514,347	$ -	$ 1,514,347
Shares issued for loans (Note 14)	33,333	-	-	-	-	-	-
Shares issued for marketing services	40,000	44,000	-	-	44,000	-	44,000
Shares issued for settlement of accounts payable	60,000	21,000	-	-	21,000	-	21,000
Exercise of warrants	250,000	225,000	(25,000)	-	200,000	-	200,000
Exercise of options	1,594,500	1,609,932	(654,174)	-	955,758	-	955,758
Shares issued for private placements	1,220,900	1,220,900	-	-	1,220,900	-	1,220,900
Options cancelled	-	-	(176,599)	176,599	-	-	-
Share issue cost	-	(58,242)	14,570	-	(43,672)	-	(43,672)
Share-based payments	-	-	801,930	-	801,930	-	801,930
Currency translation adjustment	-	-	3,868	-	3,868	-	3,868
Loss for the year	-	-	-	(3,581,989)	(3,581,989)	-	(3,581,989)
Balance, April 30, 2017	8,098,098	$ 10,636,278	$ 598,755	$ (10,098,891)	$ 1,136,142	$ -	$ 1,136,142
Shares issued for acquisition of Mekenix (Notes 4 & 14)	765,000	229,500	-	-	229,500	-	229,500
Non-controlling interest (Note 4)	-	-	-	-	-	12,230	12,230
Exercise of warrants	815,000	85,749	(4,249)	-	81,500	-	81,500
Exercise of options	410,000	254,629	(49,629)	-	205,000	-	205,000
Units issued for private placements	29,510,104	5,442,223	-	-	5,442,223	-	5,442,223
Share issue cost	-	(581,982)	203,196	-	(378,786)	-	(378,786)
Share subscriptions receivable	-	(245,920)	-	-	(245,920)	-	(245,920)
Share-based payments	-	-	49,629	-	49,629	-	49,629
Currency translation adjustment	-	-	1,276	-	1,276	-	1,276
Loss for the year	-	-	-	(2,805,389)	(2,805,389)	(13,674)	(2,819,063)
Disposal of Mekenix (Note 5)	-	-	(13,674)	-	(13,674)	1,444	(12,230)
Balance, April 30, 2018	39,598,202	$ 15,820,477	$ 785,304	$ (12,904,280)	$ 3,701,501	$ -	$ 3,701,501

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

1. CORPORATE INFORMATION AND GOING CONCERN

Omni Commerce Corp. ("Omni" or the "Company") is a publicly listed company incorporated on April 16, 2006 under the *Business Corporations Act* (British Columbia) as Mezzi Holdings Inc. ("Mezzi"). On March 28, 2018, the Company changed its name to Omni Commerce Corp. Previously, the Company was engaged in the sale and distribution of luxury accessories and eyewear. During the year ended April 30, 2018, management made the decision to exit the branded goods business.

The Company trades on the TSX Venture Exchange (the "Exchange") under the symbol "OMNI." The Company's corporate office is located on 1001-1185 West Georgia Street, Vancouver, BC, Canada.

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 settle its obligations in the normal course of business. During the year ended April 30, 2018, the Company incurred a net loss of $2,819,063 (2017 - $3,581,989) and has an accumulated deficit of $12,904,280 (2017 - $10,098,891). The Company has not generated significant cash inflows from operations and pursuant to the decision to exit the luxury branded goods business, no longer has any revenue generating operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

These consolidated financial statements were authorized for issue by the Board of Directors on August 28, 2018.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated 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 Interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The Company has determined that the functional currencies of its subsidiaries are Canadian dollars and US dollars.

Significant accounting judgments and critical accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of polices and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the report amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the consolidated financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

2. BASIS OF PRESENTATION (cont'd…)

Significant accounting judgments and critical accounting estimates (cont'd…)

Significant accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) The impairment and recoverability of the intangible assets and goodwill – An integral component of impairment testing is determining the intangible asset's recoverable amount. The determination of the recoverable amount involves significant management judgment. Qualitative factors, including market presence and trends, strength of customer relationships, strength of debt and capital markets, and other factors, are considered when making assumptions with regard to recoverability of the intangible asset.

ii) Recognition of deferred income tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

iii) The determination of the Company's and its subsidiaries' functional currency – The functional currency determination will be based on management's assessment of the primary economic environment in which the entities operate.

iv) Assessment of the Company's ability to continue as a going concern – The assessment involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

v) Assessment of the Company's separate line of businesses as discontinued operations - judgement is applied in determining whether disposal groups or cash generating unit represent a component of the entity, the results of which should be recorded in discontinued operations in the consolidated statements of operations and comprehensive loss and cash flows.

vi) Assessment of the transaction as an asset acquisition or business combination - judgement is applied relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

i) Valuation of inventory – The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and impact gross margins.

ii) Share-based payments – The fair value of share-based payments is determined using the Black-Scholes option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

2. BASIS OF PRESENTATION (cont'd…)

Significant accounting judgments and critical accounting estimates (cont'd…)

iii) The application of the Company's accounting policy for intangible assets and goodwill requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. At least annually or whenever there is an indicator for impairment management evaluates the recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Intangibles are written down to their recoverable amount when a decline is identified. The determination of the recoverable amount requires the use of management's best assessment of the related inputs into the valuation models, such as future cash flows and discount rates.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 8918627 Canada Ltd., a company incorporated in the province of British Columbia, which holds the Mezzi trademark and Capital Eyewear Inc., a company incorporated in the state of Delaware, USA. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit with maturities on the date of purchase of 90 days or less.

Inventory

Inventory comprises finished goods held for resale and is valued at the lower of cost or net realizable value. Cost is calculated using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to sell. Inventory includes purchase costs and costs incurred in bringing the inventories to their present location and condition.

Property, equipment and depreciation

Recognition and Measurement
Property and equipment are recorded at cost less accumulated depreciation and any impairment losses.

Depreciation
Depreciation is recognized in profit or loss, and is estimated over the estimated useful lives of property and equipment using the following methods:

Furniture and equipment 20% declining-balance
Computer equipment 30% declining-balance

Intangible assets and goodwill

An intangible asset is defined as being identifiable, able to bring future economic benefits to the Company and controlled by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Intangible assets and goodwill (cont'd…)

Acquired intangible assets

Acquired intangible assets consist of software and the Mezzi trademark (Note 10). Intangible assets are recognized at cost less accumulated amortization and impairment losses. Acquired intangible assets, except for indefinite-life trademarks, are amortized over their estimated useful lives. Software costs are amortized on a straight-line basis over three years. The Company's trademark has an indefinite useful life.

Internally generated assets

Internally generated assets consist of website and mobile app development costs and are capitalized when:

i. it is technically feasible to complete the intangible asset so that it will be available for use or sale;
ii. management intends to complete the intangible asset and use or sell it;
iii. there is an ability to use or sell the intangible asset;
iv. it can be demonstrated how the intangible asset will generate probable future economic benefits;
v. adequate technical, financial and other resources to complete the development and to use or sell the intangible assets are available; and
vi. the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent periods. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. Website development costs are amortized at 55% using the declining-balance method.

Additions during the year are amortized on a pro-rata basis. The estimated useful lives and amortization methods of intangible assets are reviewed at the end of each financial reporting period, and the impact of any change in estimates is accounted for on a prospective basis.

Intangible assets are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Goodwill

Goodwill is not amortized but is tested for impairment annually or whenever there is an indication of impairment. Goodwill is measured at cost less accumulated impairment losses.

Goodwill represents the residual amount between the purchase consideration and fair value of assets acquired in a business combination.

Revenue

Revenues from the sale of goods are recognized when the risks and rewards of ownership are transferred to the buyer, collectability is probable and the amount of revenue can be measured reliably. Risk and rewards of ownership pass to the customer upon shipment to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company, and which represent:

i) A major line of business or geographical area of operations;
ii) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
iii) Is a subsidiary acquired exclusively with a view to re-sell.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statements of loss and comprehensive loss is restated as if the operation had been discontinued from the start of the comparative years presented.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If 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 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 profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

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

Impairment of goodwill

Goodwill is tested annually for impairment and is allocated to the CGU to which it relates. Impairment is determined by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount. The assessment of the recoverable amount used in the goodwill impairment analysis requires management to make estimates and assumptions about capital requirements, expected sales volumes and prices, for which management considers historical prices and current market trends, as well as considering the Company's current projects, their expected output, costs and timing. These estimates and assumptions are subject to risks and uncertainty; hence there is a possibility that a change in circumstances will alter these projections, which may impact the recoverable amount of the assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect at the statement of financial position date;
(ii) Non-monetary assets and liabilities; at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities or revalued amount at the exchange rate in effect at the statement of financial position date; and
(iii) Revenue and expense items, at the rate of exchange prevailing at the transaction date.

Gains and losses arising from the translation of foreign currency are included in the determination of net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the reporting period.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments (cont'd…)

market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Where options are cancelled or expired, the fair value of the options is allocated from reserves to deficit.

Share capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and development of its projects. These equity financing transactions may involve issuance of common shares and warrants. The Company's common shares are classified as equity instruments. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments and recognized as share issuance costs and reserves.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds, and issue costs, from unit placements are allocated between shares and warrants issued according to the residual method.

Financial instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss ("FVTPL") - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables ("LAR") - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets (cont'd…)

Held-to-maturity ("HTM") - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale ("AFS") - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

All financial assets except those measured at FVTPL are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Transaction costs associated FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in initial carrying amount of the assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities ("OFL") - This category consists of liabilities carried at amortized cost using the effective interest method. These financial liabilities are initially recognized at fair value less directly attributable transaction costs.

New accounting pronouncements

The following standards have not yet been adopted. Management has evaluated the impact of these pronouncements on the Company's consolidated financial statements and determined that the effects are immaterial. The Company plans to adopt these standards as soon as they become effective for the Company's reporting year.

i) IFRS 9 Financial Instruments

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives.* The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

• Classification and measurement of financial assets:

Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting pronouncements (cont'd…)

i) IFRS 9 *Financial Instruments* (cont'd…)

- Classification and measurement of financial liabilities:

  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- Impairment of financial assets:

  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelvemonth expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- Hedge accounting:

  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

The new standard is effective for the Company's annual period beginning May 1, 2018.

ii) IFRS 15 *Revenue from Contracts with Customers*

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*.

The main features introduced by this new standard compared with predecessor IFRS are as follows:
Revenue is recognized based on a five-step model:

1. Identify the contract with customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when (or as) the performance obligations are satisfied.

New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The new standard is effective for the Company's annual period beginning May 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting pronouncements (cont'd…)

iii) Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 *Share-based Payment*)

The amendments provide guidance on the accounting for:
the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;

- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The new standard is effective for the Company's annual period beginning May 1, 2018.

iv) IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard is effective for the Company's annual period beginning May 1, 2019.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. MEKENIX COMMERCE INC.

On May 1, 2017, the Company completed the acquisition of a majority interest of Mekenix Commerce Inc. ("Mekenix"). Mekenix is an e-commerce sales firm that partners with businesses to manage and execute their e-commerce sales channels. Pursuant to the transaction, the Company issued 765,000 common shares with a fair value of $229,500 as consideration for a 51% ownership interest in Mekenix.

As Mekenix did not meet the definition of a business in accordance with IFRS 3 *Business Combinations*, the acquisition of Mekenix was accounted for as an asset acquisition. The assets acquired on May 1, 2017 are included in the consolidated statements of financial position from May 1, 2017. Mekenix's revenues and expenses are consolidated into the Company's consolidated statements of loss and comprehensive loss from May 1, 2017.

(Expressed in Canadian Dollars)

4. MEKENIX COMMERCE INC. (cont'd…)

The total purchase price was allocated as follows:	
Cash	$ 33,734
Amounts receivable	25,000
Accounts payable and accrued liabilities	(33,774)
Non-controlling interest	(12,230)
Transaction costs	216,770
	$229,500

The total purchase price of $229,500 is comprised of:	
Issuance of 765,000 common shares of Omni	$ 229,500

In April 2018, the Company sold its 51% stake back to shareholders of Mekenix for a cash consideration of $105,000, resulting in a loss on sale of investment of $124,500.

The results of Mekenix and its ultimate disposition has been presented as discontinued operations (Note 5).

5. DISCONTINUED OPERATIONS

During the year ended April 30, 2018, management decided to cease its luxury brand and its consulting business. Its luxury brand business consisted of luxury leather goods, premium luggage cases, and hand-made eyewear. As a result, the results of these operations are presented as discontinued operations for the years ended April 30, 2018 and 2017.

Luxury Brands	2018	2017
SALES	$ 38,062	$ 375,395
COST OF SALES	(20,970)	(184,332)
	17,092	191,063
OTHER ITEMS		
Amortization	(2,401)	(74,005)
Impairment loss on inventory (Note 8)	(66,845)	(260,800)
Write-down of goodwill (Note 11)	(23,035)	-
Write-down of intangibles (Note 10)	(1,320,404)	-
Total other items	(1,412,685)	(334,805)
Loss for the year	$ (1,395,593)	$ (143,742)

(Expressed in Canadian Dollars)

5. DISCONTINUED OPERATIONS (cont'd…)

During the year, the Company also sold its 51% stake back to shareholders of Mekenix for a cash consideration of $105,000, resulting in a loss on sale of investment of $124,500 (see Note 4 above). As a result, the results of the operations of Mekenix are presented as discontinued operations for the year ended April 30, 2018:

Mekenix		2018
Administrative expenses	$	(6,781)
Consulting		(46,125)
Other income		25,000
Transaction costs		(216,770)
Gain on sale of investment		86,176
Net loss for the year	$	(158,500)
Attributable to:		
Non-controlling interest	$	(13,674)
Equity holders	$	(144,826)

Cash flows from discontinued operations are as follows:

		2018		2017
Cash provided from (used by) discontinued operations				
Operating Activities:				
Net loss from discontinued operations	$	(1,554,093)	$	(143,742)
Items not affecting cash:				
Amortization		2,401		74,005
Impairment loss on inventory		66,845		260,800
Write-down of goodwill		23,035		-
Write-down of intangibles		1,320,404		-
Loss on sale of investment		124,500		-
Changes in non-cash working capital items:				
Inventory		14,557		(256,777)
Net cash provided by (used in) operating activities		(2,351)		(65,714)
Investing Activities:				
Proceeds from sale of investment		105,000		-
Net cash provided by (used in) discontinued operations	$	102,649	$	(65,714)

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES

Marketable securities are classified as available-for-sale investments and recorded at fair value. During the year ended April 30, 2018, the Company acquired 120,000 common shares of Ashanti Gold Corp. ("Ashanti"), a publicly listed company. As at April 30, 2018, the Company has determined that the decline in value of Ashanti shares was significant and prolonged, and accordingly, recorded an impairment of $7,200 in the statement of loss and comprehensive loss.

As at April 30, 2018, the number of shares of Ashanti remained at 120,000.

		Ashanti
Balance, April 30, 2017	$	-
Acquisition of marketable securities		30,000
Impairment		(7,200)
Balance, April 30, 2018	$	22,800

7. AMOUNTS RECEIVABLE

		2018		2017
Trade receivables	$	-	$	4,738
GST receivable		34,893		9,395
Total	$	34,893	$	14,133

8. INVENTORY

		2018		2017
Finished goods	$	-	$	81,402

During the year ended April 30, 2018, the Company recorded an impairment of $66,845 (2017 - $260,800) of inventory to its estimated recoverable value, which is presented as discontinued operations (Note 5).

(Expressed in Canadian Dollars)

9. FURNITURE AND EQUIPMENT

	Computer Hardware	Furniture and Equipment	Total
Cost			
Balance, April 30, 2016 and 2017	$ 5,324	$ 37,242	$ 42,566
Balance, April 30, 2018	$ 5,324	$ 37,242	$ 42,566
Accumulated amortization and impairment			
Balance, April 30, 2016	$ 799	$ 30,823	$ 31,622
Amortization	1,357	1,284	2,641
Balance, April 30, 2017	2,156	32,107	34,263
Amortization	3,168	642	3,810
Write-off	-	4,493	4,493
Balance, April 30, 2018	$ 5,324	$ 37,242	$ 42,566
Carrying amounts			
As at April 30, 2017	$ 3,168	$ 5,135	$ 8,303
As at April 30, 2018	$ -	$ -	$ -

10. INTANGIBLE ASSETS

Intangible assets consist of the following:

	Mezzi trademark	Capital Eyewear brand	Software, website, and mobile app	Total
Cost				
Balance, April 30, 2016 and 2017	$ 1,258,319	$ 62,086	$ 139,799	$ 1,460,204
Balance, April 30, 2018	$ 1,258,319	$ 62,086	$ 139,799	$ 1,460,204
Accumulated amortization and impairment				
Balance, April 30, 2016	$ -	$ -	$ 63,393	$ 63,393
Amortization	-	-	74,005	74,005
Balance, April 30, 2017	-	-	137,398	137,398
Amortization	-	-	2,401	2,401
Write-off	1,258,318	62,086	-	1,320,404
Balance, April 30, 2018	$ 1,258,318	$ 62,086	$ 139,799	$ 1,460,203
Carrying amounts				
As at April 30, 2017	$ 1,258,319	$ 62,086	$ 2,401	$ 1,322,806
As at April 30, 2018	$ 1	$ -	$ -	$ 1

(Expressed in Canadian Dollars)

11. GOODWILL

During the year ended April 30, 2016, the Company, through a wholly owned subsidiary, completed the acquisition of certain assets of Capital Eyewear, an eyewear design and manufacturing studio in California. The acquisition was accounted for as a business combination and resulted in the recognition of goodwill of $34,355.

During the year ended April 30, 2018, the Company wound up Capital Eyewear and its results were presented as part of the discontinued operations (Note 5). The Company wrote off $34,355 of goodwill against contingent consideration of $11,320, with the remaining balance of $23,035 written off and presented as discontinued operations (Note 5).

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

		2018		2017
Trade payables and accrued liabilities	$	150,462	$	262,187
Due to related parties		113,716		51,300
Total	$	264,178	$	313,487

13. LOANS PAYABLE

Loans payable are as follows:

		2018		2017
Loan payable (Notes 13(iii), (iv) and 15)	$	-	$	65,474

i) During the year ended April 30, 2017, the Company received a loan of $75,000 from an arm's length party, which bears interest at 10% per annum compounded monthly. The loan has a maturity date of April 11, 2017. As part of loan agreement, 20,000 bonus shares were issued. These shares were valued at $nil using the residual value method. The loan was repaid during the year ended April 30, 2017.

ii) During the year ended April 30, 2017, the Company received a non-interest-bearing loan of $86,816 from the former CEO of the Company with no fixed term of repayment. The Company granted 190,000 stock options, which were exercised to settle the full amount of the loan. The stock options were recorded at the fair value of the Company's common shares on the date of grant. A gain of $21,441 was recognized as a result of the difference between the debt amount and the fair value of the common shares on grant date.

iii) During the year ended April 30, 2017, the Company received a loan of $60,000 from Linqster Technologies Inc. ("Linqster"), a company with common directors, which is non-interest bearing with no fixed term of repayment (Note 15). The loan was repaid during the year ended April 30, 2018.

iv) During the year ended April 30, 2016, the Company received a loan of $50,000 from Linqster which bears interest at 12% per annum compounded monthly. As of April 30, 2017, interest of $5,474 had been accrued. The loan had a maturity date of April 11, 2017 (Note 15). As part of the loan agreement, 33,333 bonus shares were issued as partial consideration (Note 14). These shares were valued at $nil using the residual value method. During the year ended April 30, 2017, the Company granted 100,000 stock options, which were exercised to settle the principal balance of the loan. The stock options were recorded at the fair value of the Company's common shares on the date of grant and resulted in no gain or loss on settlement. Interest of $5,474 was repaid during the year ended April 30, 2018.

14. SHARE CAPITAL AND RESERVES

a) Authorized share capital:

Unlimited number of voting common shares without par value
Unlimited number of preferred shares without par value

b) Issued share capital

As at April 30, 2018, the Company had 39,598 202 common shares issued and outstanding (2017 – 8,098,098).

During the year ended April 30, 2018, the Company:

- Issued 765,000 common shares with a fair value of $229,500 for the acquisition of a 51% stake in Mekenix (see Note 4).

- Closed a private placement for 7,000,000 units at a price of $0.075 per unit for total gross proceeds of $525,000. Each unit consists of one common share of the Company and one common share purchase warrant. In connection with the private placement, the Company issued 391,622 finder's warrants exercisable into one additional common share at a price of $0.10 for a period of 24 months. The finder's warrants were assigned a value of $39,622. In addition, the Company incurred share issuance costs of $77,132.

- Closed a private placement for 22,510,104 units, with 20,760,104 units at a price of $0.22 per unit and 1,750,000 at $0.20 for total gross proceeds of $4,917,223. Each unit consists of one common share of the Company and one half of one common share purchase warrant. In connection with the private placement, the Company issued 1,232,892 finder's warrants exercisable into one additional common share at a price of $0.35 for a period of 12 months. The finder's warrants were assigned a value of $163,574. In addition, the Company incurred share issuance costs of $301,654.

- Issued 815,000 common shares upon exercise of warrants for gross proceeds of $81,500. The Company reallocated $4,249 relating to the fair value of the warrants from reserves to share capital.

- Issued 410,000 common shares upon exercise of options for a total of $205,000 in exchange for settlement of accounts payable in the amount of $205,000. A $75,000 loss was recorded on the settlement of accounts payable. The Company reallocated $49,629 relating to the fair value of the options from reserves to share capital.

- Recorded $245,920 subscriptions receivable. Subsequent to the year ended April 30, 2018, the Company received $172,000 in outstanding share subscriptions receivable and is in the process of cancelling $73,920 of shares certificates.

During the year ended April 30, 2017, the Company:

- Closed a private placement for 935,900 units at a price of $1.00 per unit for total gross proceeds of $935,900 of which $113,500 was a non-cash transaction, where services were provided in exchange for the units. Each unit consists of one common share of the Company and one share purchase warrant. Under the residual method, these warrants have been assigned a value of $nil. In connection with the private placement, the Company issued 43,272 finder's warrants exercisable into one additional common share at a price of $1.50 for a period of 12 months. The finder's warrants were assigned a value of $14,380. In addition, the Company incurred share issuance costs of $43,272.

(Expressed in Canadian Dollars)

14. SHARE CAPITAL AND RESERVES (cont'd…)

b) Issued share capital (cont'd…)

- Closed a private placement for 285,000 units at a price of $1.00 per unit for total gross proceeds of $285,000 of which $180,000 was a non-cash transaction, where services were provided in exchange for the units. Each unit consists of one common share of the Company and one share purchase warrant. Under the residual method, these warrants have been assigned a value of $nil. In connection with the private placement, the Company issued 400 finder's warrants exercisable into one additional common share at a price of $1.50 for a period of 12 months. The finder's warrants were assigned a value of $190. In addition, the Company incurred share issuance costs of $400.

- Issued a total of 33,333 common shares as partial consideration for loan facilities with a residual value of $nil.

- Issued a total of 40,000 common shares as consideration for marketing consulting services agreement at a fair value of $44,000 which resulted in a gain on settlement of $8,500.

- Issued a total of 250,000 common shares upon exercise of warrants for gross proceeds of $200,000. The Company reallocated $25,000 relating to the fair value of the warrants from reserves to share capital.

- Issued 548,000 of common shares upon exercise options for gross proceeds of $445,200. The Company also issued 1,046,500 of common shares upon exercise of options for no cash proceeds as they were granted to settle $510,558 of accounts payable, debt and services. The amounts owed were applied against the exercise price. The Company reallocated $654,174 relating to the fair value of the options from reserves to share capital.

- Issued a total of 60,000 common shares to creditors at a fair value of $21,000 to settle accounts payable aggregating $30,000 which resulted in a gain on settlement of $9,000.

c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

During the year-ended April 30, 2018, the Company granted 410,000 stock options, which vested immediately.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year:

	2018	2017
Risk-free interest rate	0.94%	0.86%
Expected life of options	5 years	3.51 years
Annualized volatility	140%	139.84%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

Volatility is determined based on the average historical stock prices for the Company.

(Expressed in Canadian Dollars)

14. SHARE CAPITAL AND RESERVES (cont'd…)

c) Stock options (cont'd…)

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2016	282,500	$ 2.20
Granted	1,788,500	0.60
Cancelled	(151,500)	1.70
Exercised	(1,594,500)	0.60
Balance, April 30, 2017	325,000	1.62
Granted	410,000	0.50
Cancelled	(165,500)	1.58
Exercised	(410,000)	0.50
Balance, April 30, 2018	159,500	$ 1.67
Number of options currently exercisable	159,500	$ 1.67

As at April 30, 2018, the following stock options were outstanding and exercisable:

Number of options	Exercise Price	Expiry Date
38,500	$ 2.50	May 23, 2019
21,500	$ 2.50	August 27, 2019
5,000	$ 2.50	October 16, 2019
17,500	$ 2.00	September 21, 2020
37,500	$ 0.90	June 10, 2021
19,500	$ 0.90	October 17, 2021
20,000	$ 0.85	December 6, 2021
159,500		

As at April 30, 2017, the following stock options were outstanding and exercisable:

Number of Options	Exercise Price	Expiry Date
38,500	$ 2.50	May 23, 2019
31,500	$ 2.50	August 27, 2019
5,000	$ 2.50	October 16, 2019
105,000	$ 2.00	September 21, 2020
77,500	$ 0.90	June 10, 2021
37,500	$ 0.90	October 17, 2021
30,000	$ 0.85	December 6, 2021
325,000		

(Expressed in Canadian Dollars)

14. SHARE CAPITAL AND RESERVES (cont'd…)

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2016	838,790	$ 1.40
Issued	1,264,572	1.50
Expired	(250,000)	0.80
Balance, April 30, 2017	1,853,362	$ 1.38
Issued	19,879,566	0.26
Exercised	(815,000)	0.10
Expired	(1,853,362)	1.38
Balance, April 30, 2018	19,064,566	$ 0.26

Volatility is determined based on the average historical stock prices for the Company.

As at April 30, 2018, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
6,576,622	$ 0.10	August 15, 2019
6,786,302	$ 0.35	January 29, 2019
5,701,642	$ 0.35	February 6, 2019
19,064,566		

As at April 30, 2017 the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
979,172	$ 1.50	September 14, 2017
283,190	$ 1.50	September 21, 2017
285,400	$ 1.50	October 6, 2017
305,600	$ 0.80	February 19, 2018
1,853,362		

(Expressed in Canadian Dollars)

14. SHARE CAPITAL AND RESERVES (cont'd…)

d) Warrants (cont'd…)

The following weighted average assumptions were used for the Black-Scholes valuation of finder's warrants granted during the year:

	2018	2017
Risk-free interest rate	1.65%	0.58%
Expected life of options	0.88 years	1.0 years
Annualized volatility	147.83%	117.15%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

e) Escrow shares

As at April 30, 2018, the Company had nil (2017 – 91,875) shares held in escrow. 15% of the original total were released every six months.

15. RELATED PARTY BALANCES AND TRANSACTIONS

Transactions with related parties and key management personnel during the year are as follows:

	Nature of transactions	2018	2017
Key management personnel:			
Companies controlled by the CEO	Management	$ 108,000	$ 198,500
A company controlled by the former CFO	Management	8,000	24,000
A company controlled by the CTO	Management	89,700	-
A firm of which the former CFO is a partner	Professional	-	156,000
Directors and Officers of the Company	Share-based payments	31,472	267,251
Related parties:			
A family member of the CEO	Consulting	52,381	-
Total		$ 289,553	$ 645,751

During the year ended April 30, 2018, the Company received a loan of $nil (2017- $60,000) and accrued interest of $nil (2017 - $5,474) from a Company in which the CEO was a former director of (Note 11).

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	2018	2017
Due to a firm of which the former CFO is a partner	$ 66,000	$ 51,300
Due to the CEO	47,716	-
Total	$ 113,716	$ 51,300

(Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the 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 liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash and cash equivalents	FVTPL
Marketable securities	AFS
Amounts receivable	LAR
Accounts payable and accrued liabilities	OFL
Loans payable	OFL
Contingent consideration	FVTPL

Contingent consideration recorded as at April 30, 2017 was measured at Level 3 in the fair value hierarchy. The Company used the discounted cash flow method, applying an after-tax discount rate of 20%, to capture the present value of the expected future economic benefits that will flow out of the Company arising from the contingent consideration.

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and amounts receivable. The Company limits its exposure to credit risk with respect to cash and cash equivalents by holding it with major Canadian financial institutions. At April 30, 2018, cash and cash equivalents are comprised of $11,500 (2017 - $11,500) held in an investment account with cash available on demand and $3,887,919 (2017 - $3,386) in various business accounts held in a major Canadian financial institution. The Company's amounts receivable consists primarily of GST receivables and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2018, the Company had a cash and cash equivalents balance of $3,889,419 (2017 - $14,886) to settle current liabilities of $264,178 (2017 - $378,961). All of the Company's financial liabilities have contractual maturities of 30 days or 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, foreign exchange rates, commodity and equity prices.

16. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

a) Interest rate risk

The Company has cash and cash equivalent balances and no interest-bearing debt. The Company is satisfied with the credit ratings of its banks. As of April 30, 2018, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

As at April 30, 2018, the Company had the Canadian equivalent of cash and cash equivalents totaling $2,656 (US$2,069) (2017 - $4,151) and accounts payable totaling $14,142 (US$11,017) (2017 - $86,107) denominated in US dollars. Assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would not materially affect the loss from operations.

17. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital, which comprises all components of equity (i.e., share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the year ended April 30, 2018.

18. SEGMENTED INFORMATION

The Company had three product lines, the sale and distribution of luxury leather goods, premium luggage and cases and hand-made eyewear, with its non-current assets and operations located in North America. The luxury leather goods segment falls under Mezzi, while premium luggage and cases falls under MLine and the hand-made eyewear segment falls under Capital Eyewear (together, the "luxury brand" segment).

The Company's segmented information for the year ended April 30, 2018 is as follows:

	Mezzi Luxury leather goods	**MLine** Luggage and cases	**Capital Eyewear** Eyewear	**Total**
Sales	$ 36,090	$ -	$ 1,972	$ 38,062
Cost of sales	(12,934)	-	(8,036)	(20,970)
Gross profit	$ 23,156	$ -	$ (6,064)	$ 17,092

(Expressed in Canadian Dollars)

18. SEGMENTED INFORMATION (cont'd…)

The Company's segmented information for the year ended April 30, 2017 is as follows:

		Mezzi		**MLine**		**Capital Eyewear**		
		Luxury goods		Luggage and cases		Eyewear		**Total**
Sales	$	350,012	$	6,579	$	18,804	$	375,395
Cost of sales		(173,174)		(3,004)		(8,154)		(184,332)
Gross profit	$	176,838	$	3,575	$	10,650	$	191,063

19. COMMITMENT

During the year ended April 30, 2016, the Company entered into a sublease agreement for premises expiring on September 29, 2018. Lease commitments are $6,124 per month.

20. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

		2018		2017
Loss before taxes for the year	$	(2,819,063)	$	(3,581,989)
Canadian federal and provincial income tax rates		27.00%		26.00%
Expected income tax recovery based on the above rates	$	(761,147)	$	(931,317)
Non-deductible expenditures		13,400		208,502
Change in timing differences		37,421		-
Effect of change in tax rates		(95,755)		-
Share issuance costs		(151,315)		(11,000)
Change in valuation allowance		957,396		672,129
Other items		-		61,686
Deferred income tax recovery	$	-	$	-

The significant components of the Company's unrecognized differences and tax losses are as follows:

		2018		2017
Non-capital losses	$	2,495,000	$	1,934,000
Property and equipment		331,000		59,000
Exploration and evaluation assets		19,000		18,000
Share issuance costs		140,000		19,000
	$	2,985,000	$	2,030,000

(Expressed in Canadian Dollars)

20. INCOME TAXES (cont'd…)

As at April 30, 2018, the Company has non-capital losses of approximately $2,495,000 (2017 - $1,934,000) that may be available to offset future income for income tax purposes, which commence expiring in 2027. About $1,605,000 of these non-capital losses relate directly to the Mezzi business. The Company has resource expenditure pools totaling $19,000 (2017 - $18,000) available for deduction against certain resource-based income that may be carried forward indefinitely.

Due to the uncertainty of realization of these deductible temporary differences, the benefit is not reflected in the consolidated financial statements, as the Company has provided a full valuation allowance for potential deferred tax assets.

21. SUPPLEMENTAL CASH FLOW

	2018	2017
Accounts payable settled by exercise of stock options	$ 205,000	$ 510,558

22. SUBSEQUENT EVENTS

In May 2018, 1,000,000 warrants with an exercise price of $0.10 were exercised for gross proceeds of $100,000.

In June 2018, the Company acquired 1,000,000 common shares of Cultivate Capital Corp. for consideration of $100,000. Cultivate Capital Corp. is a Calgary, AB based private company involved in the cannabidiol business.

In June 2018, the Company advanced a private entity $150,000 whereby the Company would be provided business development services. The Company is currently negotiating the terms of future advances whereby certain objectives are attained with regards to the marketing and distribution of cannabidiol products.

In July 2018, the Company signed a letter of intent to acquire all issued and outstanding securities of Purekana LLC ("Purekana"), a company which distributes cannabidiol products. Under the letter of intent, the Company will be completing a 4 for 1 share consolidation, pay USD $4,600,000 in cash, and issue 25,333,334 post-consolidated common shares to the sellers of Purekana. In addition, the Company will issue 6,000,000 post-consolidated shares to the sellers if Purekana generates $8,000,000 in sales in any fiscal quarter following the closing of the agreement, and another 6,000,000 shares if Purekana generates $10,000,000 in sales in any fiscal quarter following the closing of the agreement. This transaction is subject to Exchange and shareholder approval. The 4 for 1 share consolidation has not been approved by the Exchange and no cash nor shares have been paid and issued as of the date of these financial statements.