Omni Commerce Corp.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF OMNI COMMERCE CORP.

Opinion

We have audited the consolidated financial statements of Omni Commerce Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2019 and 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 financial position of the Company as at April 30, 2019 and 2018, and its financial performance and its cash flows for the years 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 *Auditors' 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 audit 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 in our audits 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 $1,726,627 during the year ended April 30, 2019 and at that date has an accumulated deficit of $14,622,376. 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 of 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 identified above 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.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, 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.

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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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditors' report is Hervé Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 27, 2019

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

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,199,799	$ 3,899,419
Marketable securities (Note 6)	6,000	22,800
Amounts receivable (Note 5)	90,947	34,893
Prepaid expenses and deposits	110,697	8,566
Total current assets	2,407,443	3,965,678
Non-current assets		
Intangible assets (Note 7)	-	1
Restricted cash (Note 16)	28,914	-
Long-term deposits	3,598	-
Investments (Note 8)	500,000	-
Total non-current assets	532,512	1
Total assets	$ 2,939,955	$ 3,965,679
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	$ 273,161	$ 264,178
Total current liabilities	273,161	264,178
Equity		
Share capital (Note 9)	16,166,397	16,066,397
Shares to be returned to treasury (Note 9)	(44,000)	-
Obligation to issue shares (Note 9)	390,000	-
Share subscriptions receivable (Note 9)	-	(245,920)
Reserves	776,773	785,304
Deficit	(14,622,376)	(12,904,280)
Total equity	2,666,794	3,701,501
Total liabilities and equity	$ 2,939,955	$ 3,965,679

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

Approved and authorized on behalf of the Board:

"Anthony Srdanovic", Director *"Alan Reynolds"*, Director

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

Omni Commerce Corp.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED APRIL 30

	2019	2018
EXPENSES		
Amortization	$ -	$ (3,810)
Consulting (Note 10)	(996,672)	(476,892)
Interest expense	-	(1,706)
Management fees (Note 10)	(297,000)	(108,000)
Marketing	(26,686)	(36,639)
Office and miscellaneous	(137,131)	(152,444)
Professional fees	(350,278)	(164,265)
Salaries	-	(27,050)
Shareholder communication	(141)	(260,965)
Share-based payments (Notes 9 and 10)	-	(49,629)
Transfer agent and regulatory fees	(30,028)	(30,242)
Travel and accommodation	(87,731)	(9,742)
	(1,925,667)	(1,321,384)
OTHER ITEMS		
Other income	300	28,169
Foreign exchange gain (loss)	(4,419)	4,212
Loss on extinguishment of debt	-	(17,275)
Loss on marketable securities (Note 6)	(16,800)	(7,200)
Write down of investments (Note 8)	(130,040)	-
Provision for bad debts (Note 5)	(50,000)	-
Write-off of equipment	-	(4,493)
Write-off of accounts payable	-	53,001
Write-down of intangible assets	(1)	-
Unrealized gain on investments (Note 8)	400,000	-
Total other items	199,040	56,414
Loss from continuing operations	$ (1,726,627)	$ (1,264,970)
Loss from discontinued operations (Note 4)	-	(1,554,093)
Net loss for the year	$ (1,726,627)	$ (2,819,063)
Attributed to		
Equity holders of the Company	(1,726,627)	(2,805,389)
Non-controlling interest	-	(13,674)
	(1,726,627)	(2,819,063)
Loss per share from continuing operations, basic and diluted	$ (0.04)	$ (0.06)
Loss per share from discontinued operations, basic and diluted	$ -	$ (0.08)
Other comprehensive income		
Currency translation adjustment	-	1,276
Comprehensive loss for the year	$ (1,726,627)	$ (2,817,787)
Weighted average common shares outstanding	40,532,449	19,708,802

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 YEARS ENDED APRIL 30

	2019	2018
CASH FLOW FROM OPERATING		
Loss for the year from continuing operations	$ (1,726,627)	$ (1,264,970)
Items not affecting cash:		
Amortization	-	3,810
Foreign exchange	4,419	-
Loss on marketable securities	16,800	7,200
Write down on investments	130,040	-
Provision for bad debts	50,000	-
Shares to be issued for services	390,000	-
Write- off intangible assets	1	-
Unrealized gain on investments	(400,000)	-
Share-based payments	-	49,629
Write-off of equipment	-	4,493
Write-off of accounts payable	-	(53,001)
Loss on extinguishment of debt	-	17,275
Changes in non-cash working capital items:		
Amounts receivable	(106,054)	(20,760)
Prepaid expenses and deposits	(102,131)	41,972
Restricted cash	(28,914)	-
Long-term deposits	(3,598)	-
Accounts payable and accrued liabilities	4,564	191,417
Operating cash used in continuing operations	(1,771,500)	(1,022,935)
Operating cash used in discontinued operations	-	(2,351)
Net cash used in operating activities	(1,771,500)	(1,025,286)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment	(230,040)	-
Acquisition of marketable securities	-	(30,000)
Net cash used in investing activities from continuing operations	(230,040)	(30,000)
Net cash provided by investing activities from discontinued operations	-	105,000
Net cash provided by (used in) investing activities	(230,040)	75,000
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from private placement	-	5,196,303
Proceeds from exercise of warrants	100,000	81,500
Share issuance costs	-	(378,786)
Subscriptions received	245,920	-
Shares to be returned to treasury	(44,000)	-
Loans paid	-	(65,474)
Net cash provided by financing activities	301,920	4,833,543
Effects of translation	-	1,276
Change in cash and cash equivalents for the year	(1,699,620)	3,884,533
Cash and cash equivalents, beginning of year	3,899,419	14,886
Cash and cash equivalents, end of year	$ 2,199,799	$ 3,899,419

Supplemental Cash Flow Information (Note 15)

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)

	Share Capital								
	Common Shares	Amount	Shares to be returned to treasury	Obligation to issue shares	Share subscriptions receivable	Reserves	Non-Controlling Interest	Deficit	Total Equity
Balance, April 30, 2017	8,098,098	$ 10,636,278	$ -	$ -	$ -	$ 598,755	$ -	$ (10,098,891)	$ 1,136,142
Shares issued for acquisition of Mekenix (Note 4)	765,000	229,500	-	-	-	-	12,230	-	241,730
Disposal of Mekenix (Note 5)	-	-	-	-	-	(13,674)	1,444	-	(12,230)
Exercise of options	410,000	254,629	-	-	-	(49,629)	-	-	205,000
Exercise of warrants	815,000	85,749	-	-	-	(4,249)	-	-	81,500
Shares issued for private placement	29,510,104	5,442,223	-	-	-	-	-	-	5,442,223
Share issuance costs	-	(581,982)	-	-	-	203,196	-	-	(378,786)
Share-based payments	-	-	-	-	-	49,629	-	-	49,629
Currency translation adjustment	-	-	-	-	-	1,276	-	-	1,276
Share subscriptions			-	-	(245,920)	-	-	-	(245,920)
Loss for the year	-	-	-	-	-	-	(13,674)	(2,805,389)	(2,819,063)
Balance, April 30, 2018	39,598,202	16,066,397	-	-	(245,920)	785,304	-	(12,904,280)	3,701,501
Exercise of warrants	1,000,000	100,000	-	-	-	-	-	-	100,000
Share subscriptions	-	-	-	-	245,920	-	-	-	245,920
Shares to be returned to treasury	-	-	(44,000)	-	-	-	-	-	(44,000)
Obligation to issue shares	-	-	-	390,000	-	-	-	-	390,000
Expired options reclassed to deficit	-	-	-	-	-	(8,531)	-	8,531	-
Loss for the year	-	-	-	-	-	-	-	(1,726,627)	(1,726,627)
Balance, April 30, 2019	40,598,202	$ 16,166,397	$ (44,000)	$ 390,000	$ -	$ 776,773	$ -	$ (14,622,376)	$ 2,666,794

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

1. NATURE OF OPERATIONS 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. 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 and has been exploring opportunities and negotiating potential transactions in the CBD (cannabidiol) and cannabis sectors.

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, 2019, the Company incurred a net loss of $1,726,627 (2018 - $2,819,063) and as at April 30, 2019, had an accumulated deficit of $14,622,376 (2018 - $12,904,280). 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 27, 2019.

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").

Effective June 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9") and IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 9 and IFRS 15 were adopted retrospectively with no restatement of comparative periods, as permitted by the transition provisions of each standard.

As a result of the application of IFRS 9, the Company changed its accounting policies for financial assets and impairment thereon, as in note 3.

As a result of the application of IFRS 15, the Company changed its accounting policies for the recognition of revenue thereon, as in note 3.

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 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.

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, respectively. The Company's subsidiaries are inactive for the year ended April 30, 2019 and 2018.

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.

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) Fair value of investments – the Company measures its investments at fair value. Management uses their judgment to select a variety of methods and make assumptions that are not always supported by quantifiable market prices or rates. Judgment is required in order to determine the appropriate valuation methodology under this standard and subsequently in determining the inputs into the valuation model used. These judgments include assessing the future earnings potential of investee companies, appropriate earnings multiples to apply, adjustments to comparable multiples, liquidity, net assets and subsequent equity financings conducted by the investee companies. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required.

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) 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.

ii) At least annually or whenever there is an indicator for impairment management evaluates the recoverable amount of its intangible assets and goodwill, 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 estimate of the related inputs into the valuation models, such as future cash flows and discount rates.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently by the Company and its subsidiaries to all periods presented and during the most recent fiscal year.

Cash and cash equivalents

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

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.

Acquired intangible assets

Acquired intangible assets consist of software and the Mezzi trademark. 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

Change in accounting policy

The Company adopted the requirements of IFRS 15 *Revenue from Contracts with Customers* effective January 1, 2018, which replaces IAS 18 *Revenue* using the modified retrospective approach. The Company reviewed its revenue streams and major contracts with customers using the IFRS 15 five step model as follows:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The adoption of IFRS 15 did not result in any changes to the Company's accounting policies for revenue recognition and therefore, did not result in any transitional adjustments to the Company's consolidated financial statements

Revenues from the sale of goods are recognized when the Company's performance obligation is met, which is upon shipment to the customer.

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.

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 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 - recognition and measurements

The Company adopted the new accounting standard IFRS 9 *Financial Instruments* effective May 1, 2018 using the modified retrospective approach. The Company has not restated comparative information for prior periods with respect to the classification and measurement requirements of IFRS 9 and accordingly, the comparative information for the year ended April 30, 2018 is presented under IAS 39 *Financial Instruments: Recognition and Measurement.* There were no changes to the carrying value of any of the Company's assets or liabilities as a result of this new accounting standard.

The Company did a detailed assessment of its financial assets and liabilities as at May 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	May 1, 2018	
	IAS 39	**IFRS 9**
Financial Assets		
Cash and cash equivalents	Fair value through profit and loss ("FVTPL")	FVTPL
Marketable securities	FVOCI	FVTPL
Amounts receivable	Amortized cost	Amortized cost
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Following is the new accounting policy for instrument instruments under IFRS 9:

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost
A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to deficit when the financial instrument is derecognized or its fair value substantially decreases.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.
Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the balance sheets only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

New accounting standards issued but not yet effective

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee The IASB issued IFRS 16 Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a “right-of-use asset” for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for the Company’s annual periods beginning May 1, 2019.

On the adoption of IFRS 16, the Company expects to record a right of use assets and a corresponding liability of approximately $57,000 on the consolidated statements of financial position.

(Expressed in Canadian Dollars)

4. DISCONTINUED OPERATIONS

Luxury Brand and Consulting Business

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 year ended 2018.

	2019	2018
SALES	$ -	$ 38,062
COST OF SALES	-	(20,970)
	-	17,092
OTHER ITEMS		
Amortization	-	(2,401)
Impairment loss on inventory	-	(66,845)
Write-down of goodwill	-	(23,035)
Write-down of intangibles	-	(1,320,404)
Total other items	-	(1,412,685)
Net loss for the year	$ -	$ (1,395,593)

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.

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 the operations of Mekenix are presented as discontinued operations for the year ended April 31, 2018:

(Expressed in Canadian Dollars)

	2019	2018
EXPENSES		
Administrative expenses	$ -	$ (6,781)
Consulting	-	(46,125)
Other income		25,000
Gain on sales of investments	-	86,176
Transaction costs	-	(216,770)
Net loss for the year	$ -	$ (158,500)
Attributed to		
Equity holders of the Company	$ -	$ (13,674)
Non-controlling interest	-	(144,826)
	$ -	$ (158,500)

Cash flows from discontinued operations for the years ended April 30, 2019 and 2018 are as follows:

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	$ -	$ (1,554,093)
Items not affecting cash:		
Amortization	-	2,401
Impairment loss on inventory		66,845
Write-down of goodwill		23,035
Write-down of intangibles		1,320,404
Loss on sale of investments	-	124,500
Changes in non-cash working capital items:		
Inventory	-	14,557
Transaction costs	-	-
Net cash used in operating activities	-	(2,351)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of investment	-	105,000
Net cash used in discontinued operations	$	$ 102,649

5. AMOUNTS RECEIVABLE

Amounts receivable relate to GST receivables. On June 9, 2018, the Company advanced $50,000 (the "Advance") to December 33 Capital Inc. ("December 33"), a company in which the Company's former CEO was also CEO. The Advance was non-interest bearing, unsecured and was due December 31, 2018, however the Advance was in default as at April 30, 2019 and the Company has fully provided against this Advance. As of the date of these consolidated financial statements, the Company has negotiated the restructuring and repayment of the Advance with December 33's newly appointed Chief Executive Officer (Note 17).

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES

Marketable securities are classified as fair value through profit and loss 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.

		Ashanti
Balance, April 30, 2017	$	-
Acquisition of marketable securities		30,000
Impairment		(7,200)
Balance, April 30, 2018	$	22,800
Unrealized loss		(16,800)
Balance, April 30, 2019	$	6,000

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets consist of the following:

		Mezzi trademark		Capital Eyewear brand		Software, website, and mobile app		Total
Cost								
Balance, April 30, 2017, 2018 and 2019	$	1,258,319	$	62,086	$	139,799	$	1,460,204
Accumulated amortization and impairment								
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
Write-off	$	1	$	-	$	-	$	1
Balance, April 30, 2019	$	1,258,319	$	62,086	$	139,799	$	1,460,204
Carrying amounts								
As at April 30, 2018	$	1	$	-	$	-	$	1
As at April 30, 2019	$	-	$	-	$	-	$	-

8. INVESTMENTS

		April 30, 2019		April 30, 2018
Cultivate Capital Corp.	$	100,000	$	-
Purekana LLC		130,040		-
		230,040		
Unrealized gain on Cultivate Capital Corp.		400,000		-
Write-down of Purekana LLC		(130,040)		-
Total	$	500,000	$	-

Cultivate Capital Corp.

On June 20, 2018, the Company acquired 1,000,000 shares of Cultivate Capital Corp. ("Cultivate Capital") for $100,000, representing approximately 2% ownership. Cultivate Capital is a private Calgary, AB based company connecting cannabis business owners with investors to provide financing options. As at April 30, 2019, management estimated the fair value of its investment in Cultivate Capital based on a recent equity financing conducted by Cultivate Capital.

Purekana LLC

On May 31, 2018, the Company entered into a letter of intent (the "PureKana LOI") with PureKana LLC ("PureKana"), as superseded by a binding letter agreement dated July 30, 2018, to acquire all issued and outstanding securities of PureKana, a limited liability company organized under the laws of the State of Arizona which distributes cannabidiol products (the "PureKana Investment"). Pursuant to the PureKana LOI, a non-refundable payment of $130,040 (USD $100,000) was paid to PureKana as a deposit. As at the year ended April 30, 2019, the Company has concluded not to pursue the PureKana Investment and, accordingly, has written off the investment.

9. 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

During the year ended April 30, 2019:

- The Company issued 1,000,000 common shares upon exercise of warrants for gross proceeds of $100,000. The share price on the warrants were exercised was $0.10.
- The Company received $245,920 in share subscriptions receivable related to shares issued in the prior year.
- The Company is in the process of returning $44,000 to an investor for shares issued in the prior year in error.
- The Company entered into various consulting agreements with individuals on the Company's advisory board for the provision of services. As compensation, the Company will issue 2,052,632 common shares with a value of $390,000 to these individuals. This obligation to issue shares is included in consulting fees in the consolidated statements of loss and comprehensive loss.

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.

(Expressed in Canadian Dollars)

- 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 share subscriptions receivable. This was collected during the year ended April 30, 2019.

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

	Number of Options		Weighted Average Exercise Price
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
Expired	(57,000)		2.44
Balance, April 30, 2019	102,500	$	1.23
Number of options currently exercisable	102,500	$	1.23

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended April 30:

	2019	2018
Risk-free interest rate	-	0.94%
Expected life of options	-	5 years
Annualized volatility	-	140%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

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

(Expressed in Canadian Dollars)

As at April 30, 2019, the following stock options were outstanding and exercisable:

Number of options	Exercise Price	Expiry Date
2,000*	$ 2.50	May 23, 2019
3,000*	$ 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
17,500	$ 0.90	October 17, 2021
20,000	$ 0.85	December 6, 2021
102,500		

*Subsequent to April 30, 2019, these stock options expired unexercised.

d) Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2017	1,853,362	$ 1.38
Issued	19,879,568	0.26
Exercised	(815,000)	0.10
Expired	(1,853,362)	1.38
Balance, April 30, 2018	19,064,568	$ 0.26
Expired	(12,487,946)	0.35
Exercised	(1,000,000)	0.10
Balance, April 30, 2019	5,576,622	$ 0.10

As at April 30, 2019, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
5,576,622*	$ 0.10	August 15, 2019
5,576,622		

*Subsequent to April 30, 2019, these warrants expired unexercised.

(Expressed in Canadian Dollars)

10. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the year ended April 30, 2019, the Company incurred the following amounts charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions	2019	2018
Key management personnel:			
Companies controlled by the former CEO	Management	$ 171,000	$ 108,000
A company controlled by the former CFO	Management	16,000	8,000
A company controlled by the former CTO	Management	-	89,700
Directors and Officers of the Company	Share-based payments	-	31,472
A company controlled by a director	Director compensation	13,000	-
CEO	Management	110,000	-
A company controlled by the CFO	Management	35,000	-
Related parties:			
A family member of the former CEO	Consulting	-	52,381
Total		$ 345,000	$ 289,553

Short-term employee benefits include salaries and other annual employee benefits paid or accrued.

At April 30, 2019, accounts payable and accrued liabilities included $2,574 owing to an officer and a company controlled by a director.

At April 30, 2018, accounts payable and accrued liabilities included $66,000 due to a firm of which the former CFO is a partner and $47,716 due to the CEO.

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand.

11. 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
Restricted cash	FVTPL
Marketable securities	FVTPL
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized Cost

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, 2019, cash equivalents are comprised of $nil (2018 - $11,500) held in an investment account with cash available on demand, and $2,199,799 (2018 - $3,887,919) 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, 2019, the Company had a cash and cash equivalents balance of $2,199,799 (2018 - $3,899,419) to settle current liabilities of $273,161 (2018 - $264,178). 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.

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, 2019, the Company did not hold any investments bearing interest. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

   As at April 30, 2019, the Company had the Canadian equivalent of cash and cash equivalents totaling $12,712 (2018 - $2,069) and accounts payable totaling $10,251 (2018 - $11,017) 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 and comprehensive loss.

12. 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 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, 2019.

(Expressed in Canadian Dollars)

13. 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:

		2019		2018
Loss before taxes for the year	$	(1,726,627)	$	(2,819,063)
Canadian federal and provincial income tax rates		27.00%		27.00%
Expected income tax recovery based on the above rates	$	(466,189)	$	(761,147)
Non-deductible expenditures		110,156		13,400
Change in timing differences		(43,659)		37,421
Effect of change in tax rates		-		(95,755)
Share issuance costs		-		(151,315)
Unrecognized deferred tax assets		399,692		957,396
Deferred income tax recovery	$	-	$	-

The significant components of the Company's unrecognized deferred income tax assets are as follows:

		2019		2018
Non-capital losses	$	2,965,000	$	2,495,000
Property and equipment		305,000		331,000
Exploration and evaluation assets		21,000		19,000
Share issuance costs		96,000		140,000
	$	3,387,000	$	2,985,000

As at April 30, 2019, the Company has non-capital losses of approximately $10,760,000 (2018 - $9,241,000) that may be available to offset future income for income tax purposes, which commence expiring in 2027. About $5,944,000 (2018 - $5,944,000) of these non-capital losses relate directly to the Mezzi business. The Company has resource expenditure pools totaling $21,000 (2018 - $19,000) 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 tax benefit is not reflected in the consolidated financial statements.

14. SEGMENTED INFORMATION

For the year ended April 30, 2019, the Company was in the process of changing its business to the cannabidiol and cannabis sectors. All long-term assets are located in Canada.

For the year ended April 30, 2018, 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). These are presented as discontinued operations in the consolidated financial statements.

(Expressed in Canadian Dollars)

	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

15. SUPPLEMENTAL CASH FLOW

	2019	2018
Accounts payable settled by exercise of stock options	$ -	$ 205,000

16. RESTRICTED CASH

Restricted cash relates to two GICs held as collateral for the Company’s credit cards. The GICs automatically renew for one-year terms as they become due as long as the credit cards are outstanding. The GICs mature in April 2020 and August 2019 and earn interest at prime plus 2.7% and prime plus 2.6% respectively.

17. SUBSEQUENT EVENTS

DreamFields Brands Inc.

On July 26, 2019, the Company entered into a binding letter of intent, as amended (the "DreamFields Letter Agreement"), with DreamFields Brands Inc. (the "Target"), a California-based vertically-integrated cannabis manufacturing, distribution, branding, sales and events company, whereby the Company has agreed to acquire all of the outstanding shares of the Target, resulting in the reverse take-over of the Company by the Target (the "Reverse Takeover").

The Reverse Takeover, which is subject to receipt of required corporate and regulatory approvals, as applicable, and other conditions, will represent the Company's entry into the cannabidiol (CBD) and cannabis sectors in connection with its previously announced change of business.

In connection with the closing of the Reverse Takeover (the "Closing"), the Company intends to delist its common shares (each, a "Share") from the TSX Venture Exchange and relist the Shares on the Canadian Securities Exchange which will be subject to shareholder approval and regulatory approval. The Company will also complete a consolidation of its outstanding Shares on the basis of one post-consolidation Share for five pre-consolidation Shares.

Pursuant to the terms of the DreamFields Letter Agreement, the Company has agreed to acquire all of the outstanding shares of the Target (each, a "Target Share") in exchange for one (1) post-consolidation Share for every one (1) Target Share outstanding at the Closing; provided that at the Closing the capital structure of the Target will consist of no more than 86,000,000 Target Shares (inclusive of Target Shares issued in connection with the DF Holdings Acquisition (as defined herein)) and no securities convertible into Target Shares or any other rights or options to acquire Target Shares will be outstanding at the Closing.

Prior to or concurrent with the Closing, it is expected that the Target will have completed the acquisition (the “DF Holdings Acquisition”) of all of the securities of DF Holdings Group LLC (“DF Holdings), whereby:

(i) 12,000,000 Target Shares will be issued in consideration of the acquisition of all of the outstanding securities of DF Holdings; and

(ii) if prior to Closing, Target generates USD$350,000 in sales of Jeeter-branded products in any fiscal month, then an additional 3,000,000 Target Shares will be issued to the former DF Holdings securityholders.

Advance to December 33

Effective July 31, 2019, the Company entered into a loan agreement with December 33 (the "Loan Agreement") setting down the terms of the $50,000 advance made by the Company to December 33 (the "Advance") on June 9, 2018. The Loan Agreement provides that the Advance, or any portion thereof outstanding from time to time, accrues interest at a rate of 5% per annum compounded annually. The Advance and any interest accrued thereon is repayable on the date that is 24 months from the date of the Advance, or on such other later date as the Company in its sole discretion may determine on 30 days' prior written demand to December 33. In addition, the Company has the right, at its option, any time prior to the repayment of the Advance in full, to convert all or any portion of the Advance (and any interest accrued thereon) then outstanding into common shares in the capital of December 33 at the price of $0.25 per share.