Omni Commerce Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2020 AND 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Omni Commerce Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
AS AT

	January 31, 2020	April 30, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,415,046	$ 2,199,799
Marketable securities (Note 5)	5,143	6,000
Amounts receivable (Note 4)	84,594	90,947
Prepaid expenses and deposits	28,507	110,697
Total current assets	1,533,290	2,407,443
Non-current assets		
Restricted cash (Note 14)	-	28,914
Long-term deposits	-	3,598
Investments (Note 6)	500,000	500,000
Deferred transaction costs (Note 8)	20,223	-
Total non-current assets	520,223	532,512
Total assets	$ 2,053,513	$ 2,939,955
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 127,563	$ 273,161
Total current liabilities	127,563	273,161
Non-current liabilities	-	-
Total non-current liabilities	-	-
Total Liabilities	127,563	273,161
Equity		
Share capital (Note 9)	16,122,397	16,166,397
Shares to be returned to treasury (Note 9)	-	(44,000)
Obligation to issue shares (Note 9)	390,000	390,000
Reserves	1,411,599	776,773
Deficit	(15,998,046)	(14,622,376)
Total equity	1,925,950	2,666,794
Total liabilities and equity	$ 2,053,513	$ 2,939,955

Nature of operations and going concern (Note 1)
Subsequent event (Note 15)

Approved and authorized on behalf of the Board:

"Peter Clausi", Director *"Alan Reynolds"*, Director

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

Omni Commerce Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE AND NINE MONTHS PERIODS ENDED JANUARY 31

	Three months ended January 31,		Nine months ended January 31,	
	2020	**2019**	**2020**	**2019**
EXPENSES				
Consulting fees	$ (47,140)	$ (232,000)	$ (148,640)	$ (595,172)
Management fees	(32,500)	-	(92,500)	-
Marketing	(509)	(4,058)	(2,442)	(26,686)
Office and miscellaneous	(17,097)	(50,970)	(36,631)	(134,193)
Professional fees	(170,723)	(43,260)	(538,693)	(230,803)
Stock based compensation (Note 9)	-	-	(634,826)	-
Lease Amortization (Note 7)	-	-	(16,428)	-
Shareholder communication	-	-	-	(141)
Transfer agent and regulatory fees	(5,274)	(3,342)	(27,751)	(18,506)
Travel and accommodation	(4,622)	(14,281)	(10,907)	(52,844)
	(277,865)	(347,911)	(1,508,818)	(1,058,345)
OTHER ITEMS				
Foreign exchange gain (loss)	3,051	(805)	1,684	(1,113)
Loss on marketable securities (Note 5)	343	(17,400)	(857)	(17,400)
Write down on investments	-	(130,040)	-	(130,040)
Provision for bad debts	-	(50,000)	-	(50,000)
Reversal of bad debt provision (Note 4)	-	-	50,000	-
Other Income	87,290	-	87,290	-
Finance cost – lease accretion (Note 7)	-	-	(9,203)	-
Finance cost – interest income	698	-	4,234	-
Gain settlement of debt	-	-	-	20,000
Total other items	91,382	(198,245)	133,148	(178,553)
Net loss for the period	$ (186,483)	$ (546,156)	$ (1,375,670)	$ (1,236,898)
Loss per share				
Basic & diluted	$ (0.00)	$ (0.01)	$ (0.03)	$ (0.03)
Weighted average shares outstanding				
Basic & diluted	40,471,654	40,598,202	40,471,654	40,511,245
Total shares issued and outstanding	**40,443,657**	**40,598,202**	**40,443,657**	**40,598,202**

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

Omni Commerce Corp.
CONSENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31,

	Three months ended January 31,		Nine months ended January 31,	
	2020	**2019**	**2020**	**2019**
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the year from continuing operations	$ (186,483)	$ (546,156)	$ (1,375,670)	$ (1,236,898)
Items not affecting cash:				
Foreign exchange	(3,050)	3,431	(1,682)	805
Stock-based compensation charges	-	-	634,826	-
Gain on marketable securities	(343)	17,400	857	17,400
Provision for bad debts	-	50,000	-	50,000
Write down on investments	-	130,040	-	130,040
Lease amortization	-	-	16,428	-
Lease accretion	-	-	(9,203)	-
Gain on sub-lease	(3,929)	-	(3,929)	-
Reversal of bad debt provision (Note 4)	-	-	(50,000)	-
Changes in non-cash working capital items:				
Amounts receivable	85,412	(14,417)	56,353	(96,656)
Prepaid expenses	70,603	25,604	85,789	(182,249)
Accounts payable and accrued liabilities	(82,843)	(12,569)	(147,213)	(162,787)
Net cash used in operating activities	(120,633)	(346,667)	(793,444)	(1,480,345)
CASH FLOW FROM INVESTING ACTIVITIES				
Equity investment	-	-	-	(230,040)
Restricted cash (Note 14)	28,914	-	28,914	-
Deferred transaction costs (Note 8)	(2,500)	-	(20,223)	-
Net cash provided by (used in) investing activities	26,414	-	8,691	(230,040)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from exercise of warrants	-	-	-	100,000
Subscriptions received	-	11,000	-	245,920
Net cash provided by financing activities	-	11,000	-	345,920
Change in cash and cash equivalents for the period	(94,219)	(335,667)	(784,753)	(1,364,465)
Cash and cash equivalents, beginning of period	1,509,265	2,870,621	2,199,799	3,899,419
Cash and cash equivalents, end of period	$ 1,415,046	$ 2,534,954	1,415,046	$ 2,534,954

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

Omni Commerce Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital								
	Common Shares	Amount	Shares to be returned to treasury	Obligation to issue shares	Share subscriptions receivable	Share-based payments reserves	Reserves	Deficit	Total Equity
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 receivable	-	-	-	-	245,920	-	-	-	245,920
Loss for the period	-	-	-	-	-	-	-	(1,236,898)	(1,236,898)
Balance, January 31, 2019	40,598,202	16,166,397	-	-	-	-	785,304	(14,141,178)	2,810,523
Balance, April 30, 2019	40,598,202	$ 16,166,397	$ (44,000)	$ 390,000	$ -	-	$ 776,773	$ (14,622,376)	$ 2,666,794
Stock-based compensations	-	-	-	-	-	634,826	-	-	634,826
Shares returned to treasury	(154,545)	(44,000)	44,000	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	(1,375,670)	(1,375,670)
Balance, January 31, 2020	40,443,657	$ 16,122,397	$ -	$ 390,000	$ -	634,826	$ 776,773	$ (15,998,046)	$ 1,925,950

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 CCT Capital Ltd., and subsequently changed its name to Mezzi Holdings Inc. on October 24, 2014. 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 nine months ended January 31, 2020, the Company incurred a net loss of $1,375,670 (2019 - $1,236,898) and as at January 31, 2020, had an accumulated deficit of $15,998,046 (April 30, 2019 - $14,622,376). As at January 31, 2020, the Company has working capital of $1,405,727 (April 30, 2019 – $2,134,282). 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.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2019.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended April 30, 2019. In addition, other than noted below, the accounting policies applied in these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended April 30, 2019.

The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on March 25, 2020.

(Expressed in Canadian Dollars)

New Accounting Standards Adopted

On May 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for its office leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at May 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount. The Company has implemented the following accounting policies permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

As at May 1, 2019, the Company recognized $189,210 in right-of-use assets and $189,210 in lease liabilities as summarized below.

Minimum lease payments under operating leases as of May 1, 2019	$	249,595
Effect from discounting at the incremental borrowing rate as of May 1, 2019		(60,385)
Lease liabilities recognized as of May 1, 2019		189,210
Right-of-use assets recognized as of May 1, 2019	$	189,210

The lease liabilities were discounted at a discount rate of 10% as at May 1, 2019.

<u>New accounting policy for leases under IFRS 16</u>

The following is the accounting policy for leases as of May 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS 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.

<u>Significant accounting judgments</u>

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) 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.

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

iii) 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.

iv) 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 and net assets. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required.

<u>Critical accounting estimates</u>

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.

4. AMOUNTS RECEIVABLE

Amounts receivable relate to GST receivables and a loan receivable. On June 9, 2018, the Company advanced $50,000 to December 33 Capital Corp., a company in which the Company's former CEO was also CEO. The loan was non-interest bearing, unsecured and was due December 31, 2018. During the year ended April 30, 2019 the loan was fully provided for as it was not repaid.

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. During the period ended January 31, 2020, the Company reversed the $50,000 provision for bad debt recorded in the prior year. As at January 31, 2020 interest income was $4,195 (2019 - $nil).

(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES

The Company held 120,000 common shares of Ashanti Gold Corp. ("Ashanti"), a publicly listed company. On August 22, 2019, Desert Gold Ventures Inc. closed a business combination with Ashanti. Each shareholder of Ashanti received 0.2857 Desert Gold shares for each Ashanti share. As at January 31, 2019, the Company holds 34,284 shares of Desert Gold.

		Ashanti
Balance, April 30, 2018	$	22,800
Unrealized loss		(16,800)
Balance, April 30, 2019	$	6,000
Unrealized loss		(857)
Balance, January 31, 2020		5,143

6. INVESTMENTS

		January 31, 2020		April 30, 2019
Cultivate Capital Corp.	$	500,000	$	100,000
Purekana LLC		-		134,040
		500,000		234,040
Unrealized gain on Cultivate Capital Corp.		-		400,000
Write down of Purekana LLC		-		(134,040)
Total	$	500,000	$	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. 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. There were no other subsequent changes in fair value.

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.

(Expressed in Canadian Dollars)

7. RIGHT OF USE ASSET AND LEASE LIABILITY

Right of Use Asset		January 31, 2020		April 30, 2019
Opening balance	$	-	$	-
Recognized on adoption of IFRS 16		189,210		-
Less: amortization		(16,428)		-
Reverse right of use asset		(172,782)		-
Total	$	-	$	-

Lease Liability		January 31, 2020		April 30, 2019
Lease liability	$	176,711	$	-
Reverse lease liability		(176,711)		-
Total	$	-	$	-

Undiscounted lease payments		January 31, 2020		April 30, 2019
Not later than a year	$	-	$	-
Later than a year		-		-
Total	$	-	$	-

The company's lease relates to an office lease. Interest expense on the lease liabilities for the nine months ended January 31, 2020 is $9,203 (2019 - $nil). Depreciation of right-to-use assets is calculated using the straight-line method over the remaining lease term. November 1, 2019, the Company entered into a sub-lease agreement where another party took on the lease obligation and recorded a gain on sub-lease of $3,929.

8. DREAMFIELDS

The Company entered into a definitive transaction agreement dated September 18, 2019 (the "Dreamfields Definitive Agreement") with Dreamfields Brands, Inc. ("Dreamfields"), a California-based vertically-integrated cannabis manufacturing, distribution, branding, sales and events company. The Dreamfields Definitive Agreement provides that, subject to the satisfaction of certain conditions precedent, including applicable regulatory and stock exchange approvals, at the Effective Time (as defined below) and concurrently with the Dreamfields Merger (as defined below), the securityholders of Dreamfields will exchange their Dreamfields Shares (as defined below) for Proportionate Voting Shares (as defined below) or Subordinate Voting Shares (as defined below), as applicable, resulting in the reverse takeover of the Company by Dreamfields (the "Reverse Takeover"), pursuant to which the business of Dreamfields will become the business of the Company (the "Change of Business"). The Reverse Takeover will represent the Company's entry into the cannabidiol (CBD) and cannabis sectors. In connection with the Reverse Takeover, the Company is expected to change its name to "Dreamfields Brands, Inc.", or such other name as determined by Dreamfields and that is acceptable to the regulatory authorities (the "Name Change"), and make application to the Canadian Securities Exchange (the "CSE") for the listing thereon of the Subordinate Voting Shares (the "Relisting").

The Reverse Takeover

Pursuant to the terms of the Dreamfields Definitive Agreement, at the time of the filing with the Secretary of State of the State of California of an agreement of merger between a wholly-owned California subsidiary of the Company ("Omni Subco") and Dreamfields (the "Effective Time"), Omni Subco will merge with and into Dreamfields (the "Dreamfields Merger"), with Dreamfields continuing as the surviving corporation governed by the Laws of the State of California as a wholly-owned subsidiary of the Company. In connection with the Dreamfields Merger, each share in the common stock of Dreamfields (each, a "Dreamfields Share"), other than those Dreamfields Shares held by a shareholder who demands and perfects dissenters' rights for such Dreamfields Shares, will be converted into and become a right to receive 0.1516 of a Proportionate Voting Share, provided that all Canadian and any other non-U.S. securityholders of Dreamfields will exchange each of their Dreamfields Shares for one (1) Subordinate Voting Share.

The closing of the Reverse Takeover (the "Closing") was anticipated to occur in Q4 of 2019, and is subject to the satisfaction of various conditions precedent prior to the Effective Time, including: (i) the Company effecting the Consolidation (as defined below); (ii) the Company completing the Share Structure Amendment (as defined below); (iii) the Company effecting the Name Change; (iv) Dreamfields completing the acquisition of all of the securities of DF Holdings Group LLC ("DF Holdings"); (v) Dreamfields delivering to the Company financial statements for each of Dreamfields and DF Holdings; (vi) the reconstitution of management and the board of directors of the Company (the "Omni Board"); and (vii) the Company and Dreamfields obtaining all necessary consents, approvals and other authorizations of any regulatory authorities, shareholders or third parties required for the transactions contemplated by the Dreamfields Definitive Agreement, including, but not limited to, the approval of the TSX Venture Exchange (the "TSXV") and the majority of the Company's minority shareholders for the delisting (the "Delisting") of its common shares (each, an "Omni Common Share"), the CSE for the Relisting, and the approval of the Company's shareholders, the Omni Board and the necessary corporate approvals of Dreamfields, as applicable, for various matters relating to the Reverse Takeover and Change of Business.

On January 30, 2020, the parties entered into a second amending agreement to further extend the Outside Date from January 31, 2020 to February 7, 2020. All other terms of the Transaction Agreement remain in full force and effect.

On February 18, 2020, the parties further extended the Outside date to March 13, 2020. The Transaction Agreement has been amended to provide that Dreamfields will pay a break fee to the Company in the amount of USD $50,000 if Dreamfields terminates the Transaction Agreement prior to delivering the requisite financial statements to Omni. The break fee will become mutual after Dreamfields has delivered the requisite financial statements to the Company, such that the break fee will be payable by whichever party terminates the Transaction Agreement due to the closing of the transaction not having occurred on or before the Outside Date. All other terms of the Transaction Agreement remained in full force and effect.

The Company further amended the Outside date from March 13, 2020 to April 10, 2020. The amendments to the Transaction Agreement were effected by way of a fourth amending agreement to the Transaction Agreement. The Transaction Agreement has also been amended to reflect that the break fee has been increased from USD $50,000 to USD $100,000 (the "Break Fee"). The Break Fee is payable by Dreamfields if it terminates the Transaction Agreement prior to delivering the requisite financial statements to the Company, or by either party if, after Dreamfields has delivered the requisite financial statements to the Company, such party terminates the Transaction Agreement due to the closing of the transaction not having occurred on or before the Outside Date. All other terms of the Transaction Agreement remain in full force and effect.

Subject to applicable regulatory and stock exchange approvals, finder's fees will be payable upon Closing to Star Jasmine LLC, an arm's length finder, in the amount of 1,000,000 post-Consolidation Omni Common Shares, as exchanged for Subordinate Voting Shares (the "Finder's Shares"). The Finder's Shares will be subject to the applicable statutory hold period in Canada and such additional restrictions on transfer as determined by the regulatory body, Omni or Dreamfields.

Consolidation

Prior to the Effective Time, Omni will complete a consolidation of the Omni Common Shares on the basis of one (1) post-consolidation Omni Common Share for each five (5) pre-consolidation Omni Common Shares (the "Consolidation"). As there are presently 40,443,657 Omni Common Shares outstanding, there are expected to be approximately 8,088,731 Omni Common Shares outstanding following the completion of the Consolidation, but prior to giving effect to the completion of the Reverse Takeover and the Share Structure Amendment.

Name Change and Share Structure Amendment

In connection with the Reverse Takeover, the Company will also effect the Name Change and amend its articles and notice of articles (the "Share Structure Amendment") to: (i) amend the terms of the existing Omni Common Shares such that they will be reclassified as Class A Subordinate Voting Shares (each, a "Subordinate Voting Share"), each of which Subordinate Voting Shares will entitle the holder to one (1) vote; and (ii) create a new class of shares consisting of an unlimited number of Class B Proportionate Voting Shares (each, a "Proportionate Voting Share"), each of which Proportionate Voting Shares will entitle the holder to 6.5952 votes and be convertible into 6.5952 Subordinate Voting Shares, all in accordance with the terms of the Dreamfields Definitive Agreement. Following Closing, it is estimated that an aggregate of 24,588,731 Subordinate Voting Shares and 10,538,028 Proportionate Voting Shares will be issued and outstanding.

At the Company's 2019 annual and special meeting of shareholders (the "Meeting") held on Thursday, November 28, 2019 in Vancouver, British Columbia. All resolutions proposed and voted on at the Meeting, as set out in the Company's notice of meeting and management information circular, dated October 28, 2019, were approved and passed by shareholders. Holders of 6,908,390 common shares (representing approximately 17.08% of the outstanding common shares of the Company) were present in person or by proxy and voted at the Meeting.

On December 2, 2019, shareholders approved resolutions:

• approving a new omnibus incentive plan (the "New Incentive Plan");

• authorizing and approving the delisting (the "Delisting") of the Company's common shares from the TSX Venture Exchange (the "TSXV"); and

• authorizing and approving an amendment (the "Share Structure Amendment") of the notice of articles and articles of the Company to amend the rights and restrictions of the existing class of common shares and re-designating such class as "Class A subordinate voting shares", and to create a new class of "Class B proportionate voting shares".

The resolution approving the Delisting was approved by a majority of the minority of shareholders of the Company. Notwithstanding the approval of the New Incentive Plan, the Delisting and the Share Structure Amendment by shareholders of the Company, the board of directors of the Company may, without any further notice or approval of the shareholders of the Company, decide not to proceed with the adoption of the New Incentive Plan, the Delisting or the Share Structure Amendment.

The Company will now work with Dreamfields to close the Dreamfields Transaction, the next steps in which include, the application to the TSXV to complete the Delisting, the application to the Canadian Securities Exchange for the relisting of Company's shares thereon, the consolidation of the Company's issued and outstanding common shares on a 5:1 basis, and the closing of the merger between a wholly-owned California subsidiary of the Company and Dreamfields, resulting in the reverse takeover of Omni by Dreamfields.

(Expressed in Canadian Dollars)

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

As at January 31, 2020, the Company had 40,443,657 common shares issued and outstanding (April 30, 2019 – 40,598,202).

During the year period ended January 31, 2020:

- The Company returned to treasury 154,545 common shares.

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 treasury for the return of shares.

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.

On October 28, 2019, the Company granted stock options to certain directors of the Company to purchase an aggregate of 3,750,000 common shares in the capital of the Company at an exercise price of $0.19 per share for a period of two years from the date of grant. The fair value of the share options was estimated at $634,826 on the date of grant using the Black-Scholes option pricing model, with the following assumptions: expected option life of 2 years, expected stock price volatility 225.45%, dividend payment during life of option was nil, risk free interest rate 1.72%, weighted average exercise price $0.19 and weighted average fair value per option $0.16.

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

	Number of Options		Weighted Average Exercise Price
Balance, April 30, 2018	159,500	$	1.67
Expired	(57,000)		2.44
Balance, April 30, 2019	102,500	$	1.23
Expired	(10,000)	$	2.50
Granted	3,750,000	$	0.19
Balance, January 31, 2020	3,842,500	$	0.21
Number of options currently exercisable	3,842,500	$	0.21

(Expressed in Canadian Dollars)

As at January 31, 2020, the following stock options were outstanding and exercisable:

Number of options	Exercise Price	Expiry Date
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
3,750,000	$ 0.19	October 28, 2021
3,842,500		

d) Warrants

As at January 31, 2020, warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
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
Expired	(5,576,622)		-
Balance, January 31, 2020	-		-

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 period ended January 31, 2020, the Company incurred the following amounts charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions		2020		2019
Key management personnel:					
Companies controlled by the former CEO	Management	$	-	$	324,000
A company controlled by a director	Director compensation		4,000		-
CEO	Management		92,500		-
A company controlled by the CFO	Management		45,000		-
Total		$	141,500	$	324,000

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

At January 31, 2020, accounts payable and accrued liabilities included $nil (April 30, 2019 - $2,574) owing to a company controlled by a director and $47,716 (April 30, 2019 - $47,716) due to a company controlled by a former executive.

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

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK

Fair value

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 January 31, 2020, cash equivalents are comprised of $132,350 (April 30, 2019 - $nil) held in investment accounts or lawyer trust accounts, with cash available on demand, and $1,273,235 (April 30, 2019 - $2,199,799) 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 January 31, 2020, the Company had a cash and cash equivalents balance of $1,415,046 (April 30, 2019 - $2,199,799) to settle current liabilities of $127,563 (April 30, 2019 - $273,161). 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.

i) 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 January 31, 2020, the Company did not hold any investments bearing interest. The Company believes it has no significant interest rate risk.

ii) Foreign currency risk

As at January 31, 2020, the Company had the Canadian equivalent of cash and cash equivalents totaling $15,393 (April 30, 2019 - $12,712) and accounts payable totaling $385 (April 30, 2019 - $10,251) 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 period ended January 31, 2020.

13. SEGMENTED INFORMATION

For the period ended January 31, 2020, the Company was in the process of changing its business to the cannabidiol and cannabis sectors. All long-term assets are located in Canada.

14. RESTRICTED CASH

Restricted cash related 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. These two GICs were redeemed on January 16, 2020.

15. SUBSEQUENT EVENTS

i) On February 18, 2020, the parties further extended the Outside date to March 13, 2020. The Transaction Agreement has been amended to provide that Dreamfields will pay a break fee to the Company in the amount of USD $50,000 if Dreamfields terminates the Transaction Agreement prior to delivering the requisite financial statements to Omni. The break fee will become mutual after Dreamfields has delivered the requisite financial statements to the Company, such that the break fee will be payable by whichever party terminates the Transaction Agreement due to the closing of the transaction not having occurred on or before the Outside Date. All other terms of the Transaction Agreement remain in full force and effect.

ii) On March 13, 2020, the Company further amended the Outside date from March 13, 2020 to April 10, 2020. The amendments to the Transaction Agreement were effected by way of a fourth amending agreement to the Transaction Agreement. The Transaction Agreement has also been amended to reflect that the break fee has been increased from USD $50,000 to USD $100,000 (the "Break Fee"). The Break Fee is payable by Dreamfields if it terminates the Transaction Agreement prior to delivering the requisite financial statements to the Company, or by either party if, after Dreamfields has delivered the requisite financial statements to the Company, such party terminates the Transaction Agreement due to the closing of the transaction not having occurred on or before the Outside Date. All other terms of the Transaction Agreement remain in full force and effect.

iii) On February 24, 2020, the Company appointed John Veltheer to the board of directors of the Company, effective immediately. John has extensive experience in expediting reverse takeovers on Canadian stock exchanges. Having spearheaded the listings of Enthusiast Gaming Holdings Inc. (TSX: EGLX) and Sixth Wave Innovations Inc. (CSE: SIXW) in the last 6 months, his experience will be valuable in helping Omni and Dreamfields Brands, Inc. complete their anticipated reverse takeover in a timely fashion. Mr. Veltheer is a lifetime entrepreneur and has been involved at the board of director level of numerous start-up companies. A generalist with highly effective management skills that focus on leading by example, clear communication and delegation.

iv) On March 16, 2020, the Company appointed Alex McAulay to the board of directors of the Company, effective immediately. Mr. McAulay CPA, CA is an entrepreneur and experienced public-company CFO and director. Mr. McAulay's company, ACM Management Inc., is focused on providing fractional CFO services and regulatory guidance to public companies in Canada and the US. Alex has served as the CFO of several listed companies and has assisted many issuers in navigating the public markets.

v) In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business at this time.