

CHEMISTREE TECHNOLOGY INC.

(Formerly – WHATTOZEE NETWORKS INC.)

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FORM 2A

LISTING STATEMENT

July 16, 2018

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Following completion of the Washington Acquisition (as defined below), the Issuer expects to eventually indirectly derive, through investments in ancillary operations, revenue from the adult-use cannabis industry in the United States in jurisdictions where local law permits such activities, and may in the future indirectly derive revenue from the medical cannabis industry in the United States and the medical and adult-use cannabis industries in Canada.

Although a number of states of the United States have legalized medical and/or recreational use of cannabis, it remains illegal under United States federal laws. Accordingly, there are a number of risks associated with the Issuer's plans and proposed and potential future investments, even where the Issuer is not directly involved in the cultivation or sale of either recreational or medical cannabis. There is a risk that United States federal authorities may enforce federal law prohibiting the cultivation and sale of cannabis or laws relating to the proceeds thereof.

Accordingly, the Issuer, and its investments in the cannabis section, may be subjected to heightened scrutiny by applicable regulatory authorities, the Canadian Securities Exchange, clearing agencies or other governmental bodies. See the sections entitled "Narrative Description of the Business – Legal and Regulatory Trends" and "Risk Factors", below, for further details.

Forward-Looking Statements

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

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or

implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the evolving regulatory and legal framework respecting the production, sale, possession and use of cannabis in the United States and Canada and the financial and operational risks inherent in the cannabis industry;
- the ability of the Issuer to transfer funds outside of the United States;
- the ability of the Issuer to secure additional financing for current and future operations and capital projects;
- the Issuer's ability to execute its strategic plans, complete its capital projects and the expected performance, production and output of any of the Issuer's capital projects, including the acquisition of the Washington Assets;
- the availability and costs associated with licenses, permits (including U.S. state and local licenses) and insurance;
- the political instability inherent in the cannabis industry;
- the Issuer's and the capital investments of the Issuer's ability to maintain and enhance trade secret protection over various potential proprietary techniques and processes associated with the cannabis industry;
- the effects of any potential conflicts of interest, the exposure to potential litigation, and any future scientific research, findings, media attention, or publicity;
- the Issuer's ability to pay dividends;
- the dependence on management and the establishment of future boards and committees and the objectives, criteria and analysis of the compensation of executive officers;
- general economic, market and business conditions and early-stage industry growth rates and the risks associated with competition from other companies directly or indirectly engaged in the cannabis industry;
- foreign currency exchange rate fluctuations and its effects on the Issuer's operations;
- the risks and costs associated with being a publicly traded company, the market demand for the Issuer's shares, and the liquidity of the Issuer's shares;
- product liability claims; and
- any other risks described in this Listing Statement and described from time to time in documents filed by the Issuer with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer are qualified by such cautionary statements and there can be no assurance that the

anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on its behalf may issue. The Issuer undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See the section entitled “Risk Factors”, below.

2. Corporate Structure

Chemistree Technology Inc. (formerly, Whattozee Networks Inc.) (the “**Company**” or “**Chemistree**”) was incorporated in the Province of British Columbia on March 14, 2008 under the *Business Corporations Act* (British Columbia). The name change to Chemistree Technology Inc. became effective August 3, 2017. The Company’s head and registered office is located at Suite 810-609 Granville Street, Vancouver, British Columbia.

Effective October 17, 2017, the Company incorporated a wholly-owned subsidiary, Chemistree Washington Ltd., in the State of Washington, USA.

The Company is requalifying for a listing following a change of business to an “investment issuer” on the Canadian Securities Exchange.

3. General Development of the Business

From inception until October 2015, the Company was solely a mineral exploration and development company. Prior to October 2015, the Company focused its exploration work on several projects, located in Nunavut, Canada and in Mali, West Africa. It is the Company’s intention to retain its mineral exploration properties for as long as possible, expending only the minimum of capital to keep the property title in good standing. The Company has no intention to engage in any further exploration work at this time.

In October 2015, management made the decision to pursue initiatives in addition to its mineral exploration activities. To begin this process, the Company hired a consultant to explore alternative business opportunities, primarily focusing on technology.

As part of the scope of work undertaken by the consultant an opportunity was identified in a fusion of the event management, ticketing and social media, industry marketing industries and the decision was made to pursue it as an organic on-line business development, known as WhatToZee, in addition to the Company’s existing mineral exploration activities. The business was hosted at www.whattozee.com, which has since been suspended.

WhatToZee believed it had identified a business model that was expected to be capable of being replicated across a number of underserved markets, such a Social Change Agents (Charities, Political Movements), Fitness Experts, Business Events and well as Artist events. Combining Event management with Social Media Marketing, WhatToZee was to allow its members to buy or sell their social influence to promote other members. As the Company progressed with its software design and development it ultimately became clear to all involved that, despite having invested over \$500,000 in direct and indirect capital, the intended outcome for the software was proving

more and more challenging to achieve. As a result, and in view of the fact that many larger, better funded competitors had run into similar issues, management made the decision to pivot the company's focus from events to a broader offering grounded in social media marketing. A partnership format was also determined to be the most advantageous and expeditious refocus and growth strategy.

In mid-July 2017, the Company entered into a strategic alliance with LG Digital Inc. ("**LG**"), a Vancouver-based digital marketing and production company. LG is a provider of expert digital marketing, website, video production and graphic design work to its international client base since 2013. LG is also the owner and producer of the highly successful and influential "Growing Exposed" series of documentary, educational and biographical videos focused exclusively on the cannabis industry. Since its first segment released in early 2016, Growing Exposed has now produced eight videos in its series, built an on-line viewing audience in tens of thousands and established an exclusive on-line distribution relationship with "High Times", the pre-eminent international cannabis periodical for over 40 years.

The Company also changed its name to Chemistree Technology Inc. After input from shareholders and prospective investors, management and the board of directors of the Company determined that a name change was necessary to better brand the Company given its focus as a social media technology supplier to the growing cannabis industry.

As a result of working with clients in the cannabis industry, specifically within Washington State, the Company became familiar with a number of producers and brands which it believed were in need of the Company's suite of services. When the Company focused its branding and marketing efforts on the cannabis industry in summer of 2017, it found several under-served sectors. With the geographic disconnects caused by a lack of federal legislation in the US, our networking in Washington state lead us to several producer/processors that were ill-equipped to handle the fast-moving trends in the space.

Based on the networks developed through its activities in the social media marketing space, the Company began to investigate and undertake preliminary due diligence on potential investments in the cannabis space, that would build upon Chemistree's existing relationships and experience and provide a platform for further investments in the cannabis space. After reviewing a number of potential opportunities, the Company focused its efforts and conducted further due diligence on an opportunity in Washington State to invest in certain assets that Chemistree believes will enable it to provide a "turn-key" facility from which it expects to derive licensing revenue.

As a result of these efforts, on May 11, 2018, the Company announced that it had entered into a letter of intent with arm's-length parties to acquire, through its wholly-owned subsidiary Chemistree Washington Ltd. ("**Chemistree Washington**"), a suite of Washington-based assets used in cannabis cultivation, production, distribution and branding (the "**Washington Acquisition**"). Chemistree then proceeded to conduct further due diligence and negotiate a definitive asset purchase agreement for the Washington Acquisition.

On June 1, 2018, the Company announced that Chemistree Washington had entered into a definitive asset purchase agreement (the "**Washington Acquisition Agreement**") with Elite Holdings Inc. (the "**Washington Vendor**") with respect to the Washington Acquisition. Pursuant to the Washington Acquisition Agreement, Chemistree Washington will acquire certain assets, including, but not limited to, all inventory, leases, software, furniture, systems, equipment and lighting (collectively, the "**Washington Assets**") from the Washington Vendor. The acquisition

does not include any receivables, payables, warranties, employee or tax liabilities of the Washington Vendor.

Consideration for the Washington Assets will be US\$1,000,000 payable in cash. US\$800,000 will be payable upon closing of the Washington Acquisition, and four instalments of US\$50,000 each will be payable at the end of each of the four calendar months following closing, commencing on the last day of the first full month after closing. Notwithstanding the foregoing, at least US\$540,000 of the consideration payable upon closing will be placed into escrow and used to satisfy certain liabilities of the Washington Vendor relating to its accounts payable.

The closing of the Washington Acquisition Agreement is conditional upon satisfaction or waiver of customary closing conditions.

For further details regarding the Washington Acquisition, see “*Narrative Description of the Business – Washington Acquisition*”, below. Although Chemistree Washington will not be directly operating the business of growing or selling cannabis and such business will be conducted by its operator under a license from the WSLCB, **marijuana remains illegal under United States federal laws and enforcement thereof remains a significant risk**. See “*Risk Factors*”.

On May 11, 2018, the Company also announced a non-brokered private placement financing to raise up to \$2.1-million (the “**Proposed Private Placement**”). The offering will be non-brokered and consist of up to six million units at a price of \$0.35 per unit. Each unit will be comprised of one common share and one common share purchase warrant (a “**Warrant**”); each Warrant will entitle the holder to acquire one additional common share for \$0.50 for a period of 24-months after closing of the private placement. The Warrants are subject to an acceleration provision whereby if the closing market price of the Common Shares of the Company on the CSE is greater than \$0.60 per Common Share for a period of ten (10) consecutive trading days (a “**Trigger Event**”), then the Company may deliver a notice (the “**Acceleration Notice**”) to the holders of Warrants notifying the holders that the Warrants must be exercised within thirty (30) calendar days from the date of the Acceleration Notice, otherwise the Warrants will expire at 4:00 p.m. (Vancouver time) on the thirtieth (30th) calendar day after the date of the Acceleration Notice.

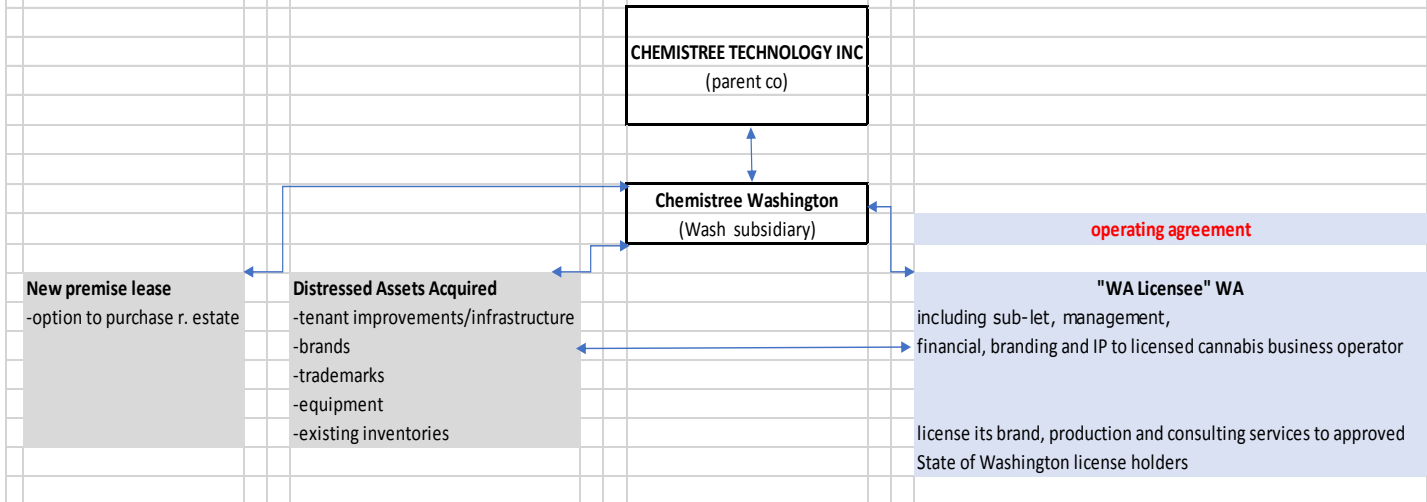
Following the completion of the acquisition of the Washington Assets and entry into of an operating agreement with a license holder (as discussed below), the corporate structure of the Company is expected to look as follows:



Washington state project (Inter-corporate organizational chart)

All relationships 100% owned

May 7, 2018



In parallel with the proposed acquisition of the Washington Assets, the company is applying to list as an “investment issuer” on the Canadian Securities Exchange in order to: (i) continue to develop its client base in the western part of North America; (ii) takeover conduct and optimization of the Washington Assets; (iii) expand the asset base of the Company through direct investment, and or mergers and acquisitions; and (iv) continue the pursuit of vertically integrating assets within the cannabis industry throughout western North America or other jurisdictions where favourable opportunities arise.

Chemistree’s new business in Washington state is to own and lease out assets that are of use to cannabis cultivators, processors and retailers. The Company may make additional equipment purchases to provide for the requests from its clients and potential clients. Current staffing levels are sufficient to provide for the expected business load and some degree of expansion. Management will address additional staffing requirements when necessary and is confident that additional managers and employees can be hired.

Management is actively assessing additional business opportunities of a similar type however there are no specific events or milestones that must be achieved, other than as disclosed in this filing, for the business objectives to be accomplished Chemistree anticipates that a substantial portion of its growth will be made through acquisition and that is of course unquantifiable at this point.

Investment Policy and Procedures

The Company's investment objectives are to seek investment opportunities in the cannabis sector, initially the western United States and potentially other jurisdictions where cannabis-related activities are permitted and to achieve an acceptable rate of return by focusing on opportunities with attractive risk to reward profiles. Investments by the Company will be made in accordance

with and are otherwise subject to the its investment policy (the “**Investment Policy**”), which may be amended from time to time at the sole discretion of the Company without shareholder approval unless required by applicable laws or Exchange policies. The key elements of the Investment Policy are summarized and included below.

The proposed investments will generally be companies in the cannabis sector, but may include a range including but not limited to service providers to the cannabis industry, to licensees, to bare land packages for development. Preference will be given initially to the western United States, but other jurisdictions, including potentially outside of North America, may be permissible depending on the risk-reward relationship associated with the particular jurisdiction, including legal and tax considerations.

In terms of composition, the nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. Subject to the availability of capital, the Company intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time, and may include equity investments, cannabis streaming arrangements, secured or unsecured loans, asset acquisitions, bare land acquisitions, majority ownership, joint ventures and licensing arrangements, among others. All investments shall be made in compliance with applicable laws in relevant jurisdictions, and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

From a procedure and implementation perspective, the senior officers and other management of the Company and the Company's Board and the respective members thereof will identify potential investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified. In addition, Chemistree may identify potential investments through contacts and customers of its social media business.

Prospective investments will be channeled through management. Management will make an assessment of whether the proposal fits with the investment and corporate strategy of the Company in accordance with the Company's Investment Policy, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional advisors or consultants.

Due diligence will include an analysis of the relevant industry, as well as the specific investment opportunity, its management team (where applicable), quality of assets and risks associated, including legal or regulatory risks, as applicable. All investments shall be submitted to the Board for final approval. The Board will be provided with a summary of the reasons for the investment decision and may include, among other things, the estimated return on investment, anticipated timeline of investment, milestones against which future progress can be measured, and risks associated with the investment.

Management has considerable experience in the cannabis sector and have already evaluated a number of opportunities and developed a network of contacts. Management may make concentrated investments initially, but over time expects to diversify Chemistree's investment portfolio.

Monitoring and Financial and Other Reporting

Management will monitor the Company's investment portfolio on an ongoing basis and report to the Board on the state of the investment portfolio on a regular basis.

In certain cases, Chemistree may require that investee companies provide status reports, including in relation to financial performance, to management on a periodic basis or require more activity monitoring. To assist with the monitoring of its investments in addition to observing each investment's financial performance, Chemistree may seek to appoint a director to the board of its investee companies or take a more active role in management where it deems it appropriate.

Types of Investments

It is expected that the Company will be seeking a wide range of investments, including majority or minority equity investments, cannabis streaming arrangements, secured or unsecured loans, asset acquisitions, bare land acquisitions, majority ownership, joint ventures and licensing arrangements, among other forms of investment or alternative financing. The form of investment will depend upon the specific circumstances of the investment, as well as management's review of the legal and regulatory risks relating to that investment and the jurisdictions where it operates.

Although management will seek to invest in structures that it believes are in compliance with applicable laws, there can be no assurance that applicable laws and regulations or interpretations or enforcement thereof will not change during the time in which Chemistree holds its investment. Accordingly, management expects to periodically evaluate the legal and regulatory risks of its investments and may, from time to time, seek to divest of certain investments prior to its originally anticipated investment period or to restructure its investments.

Chemistree may also from time to time offer additional services or management services to its investments or, in certain circumstances, may take an active role in operations of its investments. Other investments, such as licenses or assets or leases, such as is anticipated with the Washington Acquisition, may take a more passive role.

Recent Developments

On June 25, 2018, Chemistree announced that it had closed the first tranche of its upsized private placement. The first tranche was comprised of 7,313,771 units, issued at \$0.35 per unit for gross proceeds of \$2,559,820. Each unit consists of one common share and one common share purchase warrant; each warrant will entitle the holder to acquire one additional common share for 50 cents for a period of 24 months after closing of the private placement. The warrants are subject to an acceleration provision whereby if the closing market price of the common shares of the company on the Canadian Securities Exchange is greater than 60 cents per common share for a period of 10 consecutive trading days, then the company may deliver a notice to the holders of warrants notifying the holders that the warrants must be exercised within 30 calendar days from the date of the acceleration notice, otherwise the warrants will expire at 4:00 p.m. PT on the 30th calendar day after the date of the acceleration notice. The Company also issued 438,464 FINDER'S Warrants in connection with the placement and the warrants will have the same terms as the common share purchase warrants included in the placement units. Securities issued under the placement are subject to a four-month hold period, which will expire four months from the date of closing.

On July 10, 2018, Chemistree announced that the Company has completed, through its wholly owned subsidiary, Chemistree Washington, it had completed the Washington Acquisition. In addition, Chemistree announced that it has entered into consulting agreements with Contact

Financial Corp. and Adelaide Capital Markets Inc. to provide investor relations and communication services. In addition to the contracted compensation, and subject to Exchange approval, Chemistree agreed to grant Contact Financial and Adelaide Capital Markets options to acquire 150,000 and 100,000 common shares, respectively, in the capital of the Company at a price of \$0.41 per share that vest quarterly over twelve months and have a five-year term.

On July 12, 2018, Chemistree announced that effective July 11, 2018, it has closed the final tranche of the non-brokered private placement. The final tranche was comprised of 5,569,613 units, issued at \$0.35 per unit. Each unit consists of one common share and one common share purchase warrant; each warrant will entitle the holder to acquire one additional common share for \$0.50 cents for a period of 24 months after closing of the private placement. The warrants are subject to an acceleration provision whereby if the closing market price of the common shares of the Company on the Canadian Securities Exchange is greater than \$0.60 per common share for a period of 10 consecutive trading days, then the Company may deliver a notice to the holders of warrants notifying the holders that the warrants must be exercised within 30 calendar days from the date of the acceleration notice, otherwise the warrants will expire at 4:00 p.m. PT on the 30th calendar day after the date of the acceleration notice. The Company also issued 257,748 FINDER'S Warrants in connection with the final tranche, and the warrants will have the same terms as the common share purchase warrants included in the placement units. Securities issued under the placement are subject to a four-month hold period, which will expire four months from the date of closing.

Gross proceeds from the two closings aggregate \$4,509,184, which has been added to general working capital. Immediately following this private placement issuance, the Company has 34,222,589 common shares issued and outstanding.

4. Narrative Description of the Business

Social Media Business

In 2017, Chemistree refocused its efforts on social media, branding, licensing and marketing technology. In addition to marketing events, brands and any other activities in the cannabis industry, the Company also identifies other avenues for growth for social media marketing services, as well as brand marketing, product marketing, and more general services like financing and corporate consulting.

However, the Company believes the cannabis industry offers a tremendous opportunity for growth. The reason for this is simply that marketing of cannabis companies, their products as well as information about the industry itself is in its infancy.

Initially, the Pacific Northwest is the Company's main target geography, but this is expected to expand from British Columbia and Washington into Oregon, and eventually south into California or such other jurisdictions as the Company finds opportunities that it believes are favourable. Chemistree believes that the opportunity for growth in the various sectors surrounding the State-legal cannabis industry is significant. The Company is most aware of the very real challenges it faces, particularly given the fact that while legal in the states in which it plans to expand, cannabis sale and consumption is still federally illegal.

The industry varies greatly state by state and each jurisdiction can, and does, change its rules and regulations frequently.

All-across Washington, Oregon, California, Colorado and the twenty or more states in the US where cannabis is medically and/or recreationally legal, new cultivators, processors, suppliers, bakeries and other edibles producers, and retailers and dispensaries start up on a seemingly daily basis. Each one is a potential Chemistree client. And each one has a different budget and goal.

Washington Acquisition

As a result of working within the cannabis industry, specifically within Washington State, the Company became familiar with a number of producers and brands which were in need of the Company's suite of services. When the Company focused its branding and marketing efforts on the cannabis industry in summer of 2017, we found several under-served sectors. With the geographic disconnects caused by a lack of federal legislation in the US, our networking in Washington state lead us to several producer/processors that were ill-equipped to handle the fast-moving trends in the space. In turn, this burgeoning sector of the economy was suffering from tremendous over-supply, and in many corners – a lack of marketing and operations sophistication to keep-up. In May of 2018, the Company entered into a letter of intent with arm's-length parties to acquire the Washington Assets, and on May 31, 2018, the Company entered into the Washington Acquisition Agreement.

On June 1, 2018, the Company announced that Chemistree Washington had entered into the Washington Acquisition Agreement with the Washington Vendor with respect to the Washington Acquisition. Pursuant to the Washington Acquisition Agreement, Chemistree Washington will acquire the Washington Assets from the Washington Vendor. The acquisition does not include any receivables, payables, warranties, employee or tax liabilities of the Washington Vendor.

The Washington Assets include equipment necessary for the holder of the Sugarleaf License to operate its business, including "mother room" equipment, clone room equipment, pre-vegetative equipment, vegetative room equipment, nutrients and other supplies, and quarantine room equipment. This equipment includes advanced LED lights, fans, HVAC equipment, drying and packaging equipment, computer systems and other assets necessary for Chemistree Washington to provide a "turn-key" facility to an arm's length holder of a Washington State Liquor and Cannabis Board ("**WSLCB**") license (the "**Strategic Partner**"). Chemistree Washington will also enter into a lease agreement with the landlord or take an assignment of the existing lease of the facility in which the Washington Assets are located.

Consideration for the Washington Assets will be US\$1,000,000 payable in cash. US\$800,000 will be payable upon closing of the Washington Acquisition, and four instalments of US\$50,000 each will be payable at the end of each of the four calendar months following closing, commencing on the last day of the first full month after closing. Notwithstanding the foregoing, at least US\$540,000 of the consideration payable upon closing will be placed into escrow and used to satisfy certain liabilities of the Washington Vendor relating to its accounts payable.

The acquisition of the Washington Assets represents a "change of business" for the Company as defined by Policy 8 of the Exchange and the Company is seeking to requalify as an investment issuer.

Chemistree Washington and expects to enter into agreements with a Strategic Partner, which is an arm's length party to and unaffiliated with Chemistree, whereby the Strategic Partner subleases and licenses the Washington Assets from Chemistree Washington, in order for the Strategic Partner to operate the "Sugarleaf" brand of retail cannabis products in Washington state. The Sugarleaf brand is an established cannabis brand within Washington state, and is currently sold in approximately 125 retail locations. In addition to the license and sub-lease arrangements, the

relationship with the new license holder may also provide opportunities for Chemistree's social media marketing business.

Management anticipates that, in the coming months, the Strategic Partner may expand operations to include a cannabis laboratory and testing facility, as well as potentially a processing facility to provide for a larger suite of products to be produced. Chemistree does not have agreements in place with the Strategic Partner at this time, and there can be no assurance that any expansion of its operations will occur. The Washington Assets that Chemistree is purchasing may require normal course upgrades and management, given its extensive experience in the supply and sale of cannabis and hydroponic, greenhouse and outdoor cultivation and processing equipment, is current on the changes in the industry vis a vis the technological and process advancements.

The closing of the Washington Acquisition Agreement is subject to the satisfaction or waiver of customary closing conditions and receipt by Chemistree of required Exchange approvals. Closing is currently expected to occur on or before June 30, 2018, subject to satisfaction or waiver of all closing conditions.

In November 2012, the WSLCB passed Initiative 502 (I-502), pursuant to a vote by the people of the State of Washington. I-502 authorized the WSLCB to regulate and tax recreational marijuana products for persons over 21 years of age and thereby created a new industry for the growing, processing and selling of recreational marijuana products regulated by the State of Washington. In the State of Washington, a Tier 3 Producer-Processor License is allowed to produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. Tier 3 allows for between ten thousand square feet and thirty thousand square feet of dedicated plant canopy. Recent WSLCB data reports that for calendar 2017, cannabis sales surpassed \$1.37-billion, and generated Excise Tax to Washington State of more than \$314-million. Reports by the Rand organization suggested that there are currently up to 700,000 recreational marijuana users in the State of Washington.

Restrictions under I-502 prohibit the Company and/or its subsidiaries from having any direct interest in proceeds of production, processing or retail marijuana activities in Washington. The Company and/or its subsidiaries can, however, lease property and license its brands, production and consulting services to approved Washington State marijuana license holders. This will allow Chemistree to ensure that all products produced under the Chemistree program and/or associated under the brand meet or exceed the Chemistree brand quality standards. Chemistree anticipates entering into certain of the foregoing leasing and operating arrangements on mutually agreeable terms.

The Company, through Chemistree Washington, intends to seek additional opportunities to invest in and develop real estate in the State of Washington for the purpose of serving licensed I-502 production and processing businesses, among other investment opportunities.

In addition to providing specialized facilities to I-502 producers and processors, the Company may in the future seek to develop its growing techniques, standard operating procedures and innovative manufacturing practices to further assist license holders with their production and processing operations. The Company believes these services have the ability to create synergies and advantages that will provide for significant and long-term revenue for the license holder and, in turn, to the Company.

As a building block, and in addition to the Company's branding, marketing, media and social media business, the Washington Acquisition is expected to provide the Company a platform to, if and

when management identifies attractive opportunities, enter into or make investments in cannabis cultivation, production, processing, distribution and retail sales, while also allowing the Company to establish an investment portfolio of cannabis-related, and potentially non-cannabis related, real estate assets.

Business objectives 12 months forward

The Company has determined that its business objectives in the forthcoming 12-month period are to: (i) continue to develop the social media investment's client base in the western part of North America, by: (a) focusing on social media work for its clients on initiating, supporting and expanding opt-in communities of consumers and interested parties through the normal social media channels such as the various client company web sites, Twitter, Facebook and Instagram feeds as well, and (b) developing brands for production and sale for its client companies, including identifying various new product lines, providing creative input via art work and graphic design for those various products, consulting on packing and retail marketing campaigns as well as general industry consulting and market intelligence; (ii) takeover conduct and optimization of the Washington Assets, including entry into of a license agreement and sub-lease with a Washington state license holder who will operate the assets; (iii) expand the asset base of the Company through direct investment, and or mergers and acquisitions; and (iv) continue the pursuit of vertically integrating assets within the cannabis industry throughout western North America or other jurisdictions where favourable opportunities arise.

The Company currently has approximately \$1,350,000 in general working capital. These funds will be used for general corporate purposes. On May 11, 2018, the Company announced the Proposed Private Placement to raise up to \$2.1 million. The Proposed Private Placement is not conditional upon the acquisition of the Washington Assets, and the Company will have discretion to reallocate the use of proceeds if the acquisition of the Washington Assets is not completed. Assuming completion of the private placement, the Company currently expects its sources and uses of funds over the ensuing twelve months to be as follows:

Sources of Funds:

Available Funds as of May 31, 2018	\$1,350,000
Proposed Private Placement (net of expected costs)	\$2,000,000
<i>Pro Forma Total:</i>	<i>\$3,350,000</i>

Uses of Funds:

Washington Acquisition (excluding progress payments)	US\$800,000
General and Administrative Expenses	\$720,000
Estimated Capital Expenditures for improvements relating to the Washington Assets	\$500,000
Unallocated working capital (approximate)	\$1,300,000

Management

The management team consists of three key people. Karl Kottmeier, President; Doug Ford, Chief Financial Officer; Jeremy Deichen, Project Manager. Neither management nor the Board will change in connection with the Washington Acquisition.

Karl Kottmeier, *President*

Karl has over 25 years of experience in structuring, financing and administering start-up venture companies through to listing on the TSX and TSX Venture Exchanges, directly raising over \$150 million in equity financing. Karl is a principal of the PEM Group.

Douglas Ford, *CFO*

Doug is a career venture capitalist and has served as Chief Financial Officer and director of a number of public companies over the past 30 years and has significant experience in all facets of financial management, governance, compliance and reporting. Doug is a principal of the PEM Group.

Jeremy Deichen, *Manager, social media business development*

Jeremy is the creative director of LG Digital Inc., a Vancouver-based digital marketing, website, video production and graphic design company. Jeremy has over 20 years' experience in project management, marketing, branding and social media. Jeremy is also the creative director of Growing Exposed, an on-line video information and marketing series showcasing the cannabis industry world-wide.

Administration

All corporate administration will be managed from the Company's head office in Vancouver, Canada.

Specialized skills

Core management of the Company has extensive experience in capital raising, identifying early-stage investment opportunities, negotiating and structuring investments and administration of start-up enterprises. The Company has developed an in-house team of social media experts, branding, marketing and finance experts. Cannabis expertise is provided through a network of US-based consultants.

Cyclical business

The Company does not regard the turn-key real estate investment or the social media, marketing, branding, and cannabis industries as cyclical.

Employees

The Company has on average, six employees.

Foreign Operations

The Company is developing its marketing and social operations and specific projects outside of Canada, in the Pacific region of the United States. Currently the Company has three clients in Washington state. Certain contracts entered into or potentially available to the Company do or may require the Company to maintain a physical presence in the state in which the client company is doing business. The Company is currently investigating suitable locations and business arrangements for its base of operations.

Through Chemistree Washington, the Washington Assets will be located in Washington state. Marijuana remains illegal under U.S. federal law. See "*Washington Acquisition*" above and "*Legal and Regulatory Trends*" and "*Risk Factors*" below.

Competitive Conditions

The social media, branding and marketing industries are highly competitive and constantly evolving. New technology is constantly being introduced to the market and users are highly mobile and prone to change and/or acceptance of new platforms, business offerings and methods of online communication and commerce. New brands can be introduced quickly to a given market with potentially disruptive impacts and consumer tastes and demands are equally volatile.

Management and corporate advisors have substantial experience and industry knowledge and have maintained excellent relationships with all suppliers, consultants and most importantly existing and potential clients and are confident that these relationships provide a distinct advantage over competitors for access.

The fast-growing market for legalized cannabis in both Canada and the U.S. has created a competitive environment for cannabis producers and retailers as well as other types of companies who provide goods and services to the cannabis industry. In November 2012, the WSLCB passed Initiative 502 (I-502), pursuant to a vote by the people of the State of Washington. I-502 authorized the WSLCB to regulate and tax recreational marijuana products for persons over 21 years of age and thereby created a new industry for the growing, processing and selling of recreational marijuana products regulated by the State of Washington. In the State of Washington, a Tier 3 Producer-Processor License is allowed to produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. Tier 3 allows for between ten thousand square feet and thirty thousand square feet of dedicated plant canopy. Recent WSLCB data reports that for calendar 2017, cannabis sales surpassed \$1.37-billion, and generated Excise Tax to Washington State of more than \$314-million. Reports by the Rand organization suggested that there are currently up to 700,000 recreational marijuana users in the State of Washington.

In addition, a number of companies have emerged which specialize in or seek to provide financing to enterprises in the cannabis space. In addition, as acceptance of the cannabis industry grows and additional jurisdictions legalize medical and/or retail cannabis, some more traditional sources of financing, such as bank, venture capital funds and private equity firms or merchant banks have begun to make investments or provide financing to certain companies in the cannabis sector. Accordingly, Chemistree may face competition from a number of new, well capitalized entrants for investments in the cannabis space, along with competition from other early movers into the cannabis sector.

Restructuring transactions

Effective December 30, 2014, the Company consolidated its common share capital on a 5-old for 1-new basis, whereby each five old shares are equal to one new share without par value.

The Company also completed a one-new-for-three-old consolidation of its common shares with a record date of January 27, 2017.

Social or Environmental Policies

The Company has not implemented any specific social or environmental policies that are fundamental to operations. The Company seeks to adhere to industry-standard best practices at all times and is governed by the regulations of the specific jurisdictions in which it operates. Depending on the Company's future investments, it may in the future be subject to environmental regulation or adopt additional social or environmental policies.

Legal and Regulatory Trends

The Washington Assets are located in Washington state, and, accordingly, management believes that the United States federal, Washington state, and Canadian legal and regulatory regimes to be the most relevant to the Company's business plans. When and if the Company makes investments in additional jurisdictions, it will also be subject to the legal and regulatory regimes in those jurisdictions. As part of the investment process, consideration will be given to the risks associated with entry into new jurisdictions, however investments in new jurisdictions or expansion of the types of investments may result in additional risks or regulatory requirements.

United States

In the United States, twenty-nine states and Washington, D.C. have legalized medical marijuana, while nine states and Washington, D.C. have also legalized recreational marijuana. Although cannabis currently remains a Schedule I drug under federal law, the U.S. Department of Justice issued a memorandum, known as the "Cole Memorandum", on August 29, 2013 to the U.S. Attorneys' offices (U.S. federal prosecutors) directing that individuals and businesses that rigorously comply with state regulatory provisions in states that have strictly-regulated legalized medical or retail cannabis programs should not be a priority for prosecutions for violations of federal law. This federal policy was reinforced by passage of a 2015 federal budget bill amendment (passed in 2014) known as the Rohrabacher-Farr Amendment that prohibited the use of federal funds to interfere in the implementation of state medical marijuana laws. This bill targeted Department of Justice funding, which encompasses the Drug Enforcement Agency and Offices of the United States Attorneys. This amendment to the appropriations bill remains in effect.

Under U.S. federal law it is a violation of federal money laundering statutes for financial institutions to take any proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. Despite these laws, the U.S. Treasury Department Financial Crimes Enforcement Network ("**FinCEN**") issued a memorandum in February of 2014 outlining the pathways for financial institutions to bank marijuana businesses in compliance with federal law. Under these guidelines, financial institutions must submit a "suspicious activity report" as required by federal money laundering laws. These marijuana related SARs are divided into three categories: marijuana limited, marijuana priority, and marijuana terminated, based on the financial institution's belief that the marijuana business follows state law, is operating out of compliance with state law, or where the banking relationship has been terminated. On the same day as the publication of the FinCEN memo, the Department of Justice issued a memo directing that prosecutors should apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. In the U.S., a bill has been tabled in Congress to grant banks and other financial institutions immunity from federal criminal prosecution for servicing marijuana-related businesses if the underlying marijuana business follows state law. This bill has not been passed and there can be no assurance with that it will be passed in its current form or at all. In both Canada and the United States, transactions involving banks and other financial institutions are both difficult and unpredictable under the current legal and regulatory landscape. Legislative changes to help reduce these challenges would eliminate these challenges for

companies in the cannabis space, and would improve the efficiency of both significant and minor financial transactions.

Political and regulatory risks also exist due to the presidential administration of Donald Trump and his appointment of Sen. Jeff Sessions to the post of Attorney General. Mr. Trump's positions regarding marijuana are difficult to discern; however, Attorney General Sessions has been a consistent opponent of marijuana legalization efforts throughout his political career. It remains unclear what stance the Department of Justice under the new administration might take toward legalization efforts in U.S. states, but federal enforcement of the Controlled Substances Act and other applicable laws is possible. In March of 2017, Attorney General Sessions acknowledged the limited federal resources of the Department of Justice and acknowledged that much of the Cole Memorandum had merit. Despite this positive statement, he disagreed with the memo's implementation and did not commit to utilizing the Cole Memorandum going forward. In July of 2017 Attorney General Sessions sent letters to the Governors of Colorado, Washington, Alaska, and Oregon responding to their April 2017 request to retain the Cole Memorandum and engage with the governors before embarking on any changes to regulatory and enforcement systems. In these response letters, the Attorney General noted that the Cole Memorandum does not prevent federal investigations or prosecutions of cannabis businesses acting in compliance with state law and cited law enforcement data sources to cast doubt on the effectiveness of state regulation to prevent unauthorized sales, black market activity, and negative public health outcomes. All four governors have since publicly pushed back on the Attorney General's claims stating that the data sources used in his letter are outdated and incomplete. On November 14, 2017, Attorney General Sessions noted during a congressional hearing that the Cole Memorandum remained in effect, but that cannabis remains illegal under federal law.

However, on January 4, 2018, Attorney General Sessions rescinded all previous guidance specific to federal law enforcement relating to marijuana, including the prior approach under the Cole Memorandum. It remains to be seen what impact the rescission of the Cole Memorandum will have on enforcement of U.S. federal marijuana laws.

Washington State

In November 2012, the Washington State Liquor and Cannabis Board ("WSLCB") passed Initiative 502 (I-502), pursuant to a vote by the people of the State of Washington. I-502 authorized the WSLCB to regulate and tax recreational marijuana products for persons over 21 years of age and thereby created a new industry for the growing, processing and selling of recreational marijuana products regulated by the State of Washington. In the State of Washington, a Tier 3 Producer-Processor License is allowed to produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. Tier 3 allows for between ten thousand square feet and thirty thousand square feet of dedicated plant canopy. Recent WSLCB data reports that for calendar 2017, cannabis sales surpassed \$1.37-billion, and generated Excise Tax to Washington State of more than \$314-million. Reports by the Rand organization suggested that there are currently up to 700,000 recreational marijuana users in the State of Washington.

Restrictions under I-502 prohibit the Company and/or its subsidiaries from having any direct interest in proceeds of production, processing or retail marijuana activities in Washington. The Company and/or its subsidiaries can, however, lease property and license its brands, production and consulting services to approved Washington State marijuana license holders. This will allow Chemistree to ensure that all products produced under the Chemistree program and/or associated under the brand meet or exceed the Chemistree brand quality standards. Chemistree and Partner

anticipate entering into certain of the foregoing leasing and operating arrangements on mutually agreeable terms.

Canada

On August 24, 2016, the Access to Cannabis for Medical Purposes Regulations (“ACMPR”) came into force to allow for reasonable access to cannabis for medical purposes for Canadians who have been authorized to use cannabis by their health care practitioner. The ACMPR replaced the Marihuana for Medical Purposes Regulations (“MMPR”), introduced in June 2013, which replaced the Marihuana Medical Access Regulations (“MMAR”) which was implemented in 2001. MMPR and MMAR were both legislative schemes that were important early steps in the Canadian government’s legislative path towards legalizing and regulating medical marijuana.

The ACMPR regulates the production and distribution of medical cannabis, demonstrating Health Canada’s commitment to improving the regulatory landscape surrounding medical marijuana use, in addition to ensuring that production occurs under secure and regulated commercial production facilities. Under the ACMPR, Canadians who have been authorized by their health care practitioner will continue to have the option of purchasing safe, quality-controlled cannabis from one of the producers licensed by Health Canada and now will also be able to produce a limited amount of cannabis for their own medical purposes, or designate someone to produce it for them.

In 2015, the Government of Canada announced a platform advocating for the legalization of recreational cannabis in order to regulate the illegal market and restrict access by under-aged individuals. On April 20, 2016, the Government of Canada announced its intention to introduce, by the spring of 2017, legislation to legalize the recreational use of cannabis in Canada.

On April 13, 2017, the Canadian Government introduced the Cannabis Act, along with an amendment to the Criminal Code, to legalize and regulate the use of cannabis for recreational purposes. The Cannabis Act received its first reading in the House of Commons on April 13, 2017, followed by a second reading on June 8, 2017 and was passed by the House of Commons on the third reading on November 27, 2017. It received its first reading by the Senate on November 28, 2017 and second reading on November 30, 2017, with a third reading of the Senate scheduled for June 2018. If passed, the Cannabis Act was expected to take effect on or before July 2018, however that time table has likely been delayed, as a number of provinces have expressed that it will take them two to three months following passage of the Cannabis Act in order to set up their provincial regulatory regimes for retail sales. There is no assurance that the enactment of the Cannabis Act and the legalization of recreational cannabis use will occur as anticipated or at all.

Under the proposed legislation, the production, sale and possession of certain amounts of cannabis will be legal federally, though provinces will ultimately decide how cannabis will be distributed and sold within their boundaries, subject to federal requirements. The Cannabis Act will create a highly regulated landscape for businesses looking to produce, distribute or deal in cannabis products. However, the Cannabis Act does not address in detail a number of key issues, including relating to labelling, marketing, transition, licensing requirements and taxes. These will need to be addressed by the Canadian Government in regulations and rules over the next year or more, and the Canadian Government will also need to work out issues with the provinces and municipalities. Until the Cannabis Act passes the Senate and is declared in force, existing laws (including criminal sanctions) will continue to apply. Health Canada has indicated that it does not intend to release draft regulations under the Cannabis Act until after its passage, and therefore there remains significant uncertainty as to the final regulatory regime for matters such as labelling and marketing, among others.

As the cannabis industry expands in Canada, cannabis-related businesses will increasingly seek banking and financial services from Canadian financial institutions. However, cannabis-related businesses may continue to be considered high-risk clients under the Canadian anti-money laundering regime. Accordingly, opening and maintaining accounts for cannabis-related businesses will require substantial resources and diligence on the part of financial institutions, especially in light of the obligation imposed on financial institutions under anti-money laundering legislation to engage in ongoing monitoring of clients and their activities. While certain Canadian financial institutions have grown more comfortable conducting business with clients in the legal cannabis space, others have continue to avoid clients in the space, particular those with a nexus to the United States.

Despite the heightened risk of banking cannabis-related businesses, the current legal landscape for medicinal cannabis, and the expected regulatory framework for legalized recreational cannabis provide financial institutions with various controls to monitor and legitimately bank cannabis-related clients. For instance, the current licensing regime for medicinal cannabis producers is comprehensive and requires that the Canadian Government complete extensive reviews and background checks on each licensed producer. A similarly comprehensive licensing regime is expected under the new legislation to legalize recreational cannabis. Financial institutions could rely on the government’s stringent vetting process to confirm the legitimacy of a cannabis producer when onboarding a client. The decision to open, close or refuse any particular cannabis-related account will ultimately be made by each financial institution based on a number of factors specific to that institution. However, the regulatory regime for medicinal cannabis and the expected framework for legalized recreational cannabis in Canada can provide financial institutions with the means to legitimately bank cannabis-related clients in a lawful way, meeting the growing financial needs of the cannabis industry in Canada.

Health Canada data shows that 201,398 patients in Canada were registered to use medical marijuana by the end June of 2017, establishing a market worth in excess of \$100 million. By 2024, Health Canada estimates that the number of patients using medical marijuana will grow to 450,000, creating a market worth an estimated \$1.3 billion.

Financial Transactions

Certain financial institutions in Canada and the U.S. will not allow companies who generate funds from the sale of cannabis and cannabis related products to open bank accounts or process the transfer of funds from the sale of cannabis.

Specifically, the federal illegality of marijuana in the U.S. means that financial transactions involving proceeds generated by marijuana-related conduct can form the basis for prosecution under the money laundering statutes (18 U.S.C. § 1956 and 1957), the unlicensed money transmitter statute (18 U.S.C. § 1960), and the Bank Secrecy Act (the “BSA”). Consequently, businesses involved in the marijuana industry often have difficulty finding a bank willing to accept their business. Banks who do accept deposits from marijuana-related businesses in the U.S. must do so in compliance with the “Cole Financial Crime Memo” and the “FinCEN Memo,” each dated February 14, 2014. The Cole Financial Crime Memo states that prosecutors should apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. The FinCen Memo provides guidelines to banks on how to accept deposits from marijuana-related businesses while remaining compliant with the BSA. With the rescission of the Cole Memorandum in January 2018, it remains to be seen what impact this will have on the availability of banking and financial services for marijuana-related businesses in the U.S.

Management does not anticipate being able to transfer any income earned or investment proceeds realized from its U.S. investments to the Canadian parent company for the foreseeable future. As a result, management may determine to re-invest any income or gains in additional investments, rather than returning funds to shareholders in the form of dividends or otherwise.

Asset Backed Securities

The Company has no Asset-backed Securities outstanding.

5. Selected Consolidated Financial Information

Selected Financial Data [Annual]

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company.

		Year ended		
		June 30, 2017	June 30, 2016	June 30, 2015
Operating Revenue	\$	0	0	0
Net income (loss)	\$	(524,418)	(626,545)	(81,097)
Income (Loss) per share	\$	(0.06)	(0.05)	(0.01)
Share capital	\$	10,107,349	9,613,138	9,265,168
Common shares issued		15,148,405	5,148,405	3,981,740
Weighted average shares outstanding		9,038,816	4,447,952	2,631,969
Total Assets	\$	142,714	63,191	226,974
Net Assets (liabilities)	\$	24,149	(11,697)	203,067
Cash Dividends Declared per Common Shares	\$	0	0	0

Summary of Quarterly Results

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

	Quarter Ended							
	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016
Revenues	\$5,509	48,262	-	-	-	-	-	-
Comprehensive (loss) gain	\$(146,671)	(150,496)	(172,655)	(133,815)	(87,826)	(143,996)	(158,781)	(275,227)
Earnings (loss) per share	\$(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.03)	(0.03)	(0.05)
Share capital	\$11,648,292	11,648,292	10,107,349	10,107,349	10,107,349	9,613,138	9,613,138	9,613,138
Common shares issued	21,339,205	21,339,205	15,148,405	15,148,405	15,148,405	5,148,405	5,148,405	5,148,405
Weighted average shares outstanding	21,339,205	19,895,744	15,148,405	15,148,405	10,815,072	5,148,405	5,148,405	5,105,916
Total Assets	\$1,583,854	1,700,134	435,042	142,714	141,735	38,896	36,087	63,191

Net Assets (liabilities)	\$1,097,076	1,243,747	(21,701)	24,149	91,911	(314,474)	(170,478)	(11,697)
Dividends declared per share	\$-	-	-	-	-	-	-	-

6. Management's Discussion and Analysis

Please refer to Appendix "B" for Chemistree's management's discussion and analysis for the year ended June 30, 2017 and Appendix "C" for Chemistree's management's discussion and analysis for the period ended March 31, 2018.

Further Information

Additional information about the Company is available at the System for Electronic Document Analysis and Retrieval (SEDAR) website www.sedar.com of the Canadian Securities Administrators.

7. Market for Securities

Chemistree Technology Inc. common shares are currently listed and posted for trading on the Canadian Securities Exchange under the symbol "CHM", and they are quoted in the United States on the OTCQB under the symbol "CHMJF".

8. Consolidated Capitalization

Effective December 30, 2014, the Company consolidated its common share capital on a 5-old for 1-new basis, whereby each five old shares are equal to one new share without par value.

The Company also completed a one-new-for-three-old consolidation of its common shares with a record date of Jan. 27, 2017. As a result, the Company's 15,445,221 issued and outstanding common shares were consolidated into 5,148,405 issued and outstanding common shares.

During the second half of calendar 2017, the Company completed a private placement in two tranches, resulting in the issuance of an additional 6,190,800 common shares.

9. Options to Purchase Securities

Grant Date	Holder	Amount	Series	Sub-	Exercise Price	Expiry
6/7/2017	Karl Kottmeier	150,000			\$ 0.10	6/7/2022
	Doug Ford	150,000			\$ 0.10	6/7/2022
	Kirk Gamley	150,000			\$ 0.10	6/7/2022
	Jeremy Deichen	150,000			\$ 0.10	6/7/2022
	Justin Chorbajian	150,000			\$ 0.10	6/7/2022
	Rob Gamley	150,000			\$ 0.10	6/7/2022
				900,000		
08/04/2016	Frederick Chabot	50,000	50,000	\$	0.36	08/04/2021
Grand Total			950,000			

10. Description of the Securities

The Company is authorized to issue an unlimited number of common shares without par value.

Holders of common shares are entitled to dividends if, as and when declared by the directors, to one vote per common shares at meetings of shareholders and, upon liquidation, to receive such assets of the Company as are distributable to holders of common shares. The common shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights. All common shares outstanding are fully paid and non-assessable.

In the past 12 months the Company has issued common shares as follows:

Date	Transaction	Price	# Shares	Gross Proceeds	# Places
10/12/2017	Non-brokered pp	\$0.25	5,146,000	\$1,286,500.00	72 places
12/7/2017	Non-brokered pp Tr #2	\$0.25	1,044,800	\$261,200.00	17 places

Period	High	Low	Volume
May 1 -29, 2018	\$0.49	0.40	121,181
April, 2018	\$0.69	\$0.40	195,915
Quarter ended March 31, 2018	\$0.85	\$0.495	470,495
Quarter ended December 31, 2017	\$1.00	\$0.40	405,848
Quarter ended September 30, 2017	\$0.65	\$0.095	2,670,285

Quarter ended June 30, 2017	\$0.10	\$0.075	707,276
Quarter ended March 31, 2017 ⁽¹⁾	\$0.09	\$0.045	165,464
Quarter ended December 31, 2016 ⁽¹⁾	\$0.315	\$0.03	700,759
Quarter ended September 30, 2016 ⁽¹⁾	\$0.33	\$0.15	344,021

⁽¹⁾Adjusted for 1-new for 3-old share consolidation that became effective January 25, 2017

11. Escrowed Securities

The Company has no escrowed securities.

12. Principal Shareholders

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company.

13. Directors and Officers

Board of Directors

The board of directors of the Company (the “**Board**” or the “**Board of Directors**”) currently consists of five (5) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting.

NAME, PRESENT OFFICE HELD AND PROVINCE OR STATE OF RESIDENCY	DIRECTOR SINCE	NUMBER OF SHARES BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, OR OVER WHICH CONTROL OR	PRINCIPAL OCCUPATION AND IF NOT AT PRESENT AN ELECTED DIRECTOR, OCCUPATION DURING THE PAST FIVE (5) YEARS
Martin Schultz ⁽¹⁾ British Columbia	February 2, 2015	100,000	Independent businessman. Director of Jaguar Financial Corp.
Douglas E. Ford ⁽¹⁾ CFO and Secretary British Columbia	March 14, 2008	368,520	General Manager - Dockside Capital Group Inc. Director and CFO - Avanti Energy Inc.
Edward D. Ford ⁽¹⁾ British Columbia	August 26, 2008	75,777	Chartered Accountant; President– Dockside Capital Group Inc. (1987 – present)
Justin Chorbajian British Columbia	August 28, 2017	1,230,000	Independent businessman, Owner, Green Planet Nutrients

NAME, PRESENT OFFICE HELD AND PROVINCE OR STATE OF RESIDENCY	DIRECTOR SINCE	NUMBER OF SHARES BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, OR OVER WHICH CONTROL OR	PRINCIPAL OCCUPATION AND IF NOT AT PRESENT AN ELECTED DIRECTOR, OCCUPATION DURING THE PAST FIVE (5) YEARS
Karl Kottmeier President British Columbia	June 8, 2017	955,777	President Pacific Equity Management; Director and CEO Avanti Energy

(1) Member of the Audit Committee.

Corporate Cease Trade Orders or Bankruptcies

Other than indicated below, no director, officer, Insider or Promoter or a shareholder holding a sufficient number of securities to affect materially the control of the Corporation is, or within 10 years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other issuer that, while that Person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Edward D. Ford and Martin R. Schultz, were subject to a Cease Trade Order issued by the Alberta Securities Commission on July 25, 1990. At the relevant times preceding the date of issuance of the Cease Trade Order, Mr. Ford was a director and Mr. Schultz was a director and corporate secretary of Eleven Business Acquisitions Inc., an Alberta reporting issuer ("Eleven"). As a result of Eleven having failed to comply with certain continuous disclosure obligations, the Alberta Securities Commission ordered that Mr. Ford and Mr. Schultz cease trading in all securities as defined in the Securities Act (Alberta) for a period of 30 days and 60 days, respectively, from the date of the Cease Trade Order.

Douglas E. Ford was an officer of Casey Container Corp., formerly Sawadee Ventures, Inc. ("Casey") from September, 2006 to September 12, 2008, a director from September 2006 until January 19, 2009; and was a Control Person from September 2006 until July 2010. On January 20, 2009, the British Columbia Securities Commission issued a Cease Trade Order against Casey as a result of a failure to file interim financial statements and related management's discussion and analysis for the financial period ended September 30, 2008. Casey subsequently filed the required financial statements and related documents and the Cease Trade Order was revoked on June 10, 2010.

Edward D. Ford and R. Martin Schultz were both directors of North American Nickel Inc., formerly Gemini International Technology Inc. ("North"), on June 22, 1992 when the Ontario Securities Commission issued a Cease Trade Order against North as a result of a failure to file annual financial statements for the year ended December 31, 1991 and interim financial statements for the financial period ended March 31, 1992. Subsequent to the issuance of the Cease Trade Order, Douglas E. Ford became a director of North in September of 1992. North subsequently filed the required financial statements and the Cease Trade Order was revoked by the Ontario Securities Commission on July 22, 2010.

Due to the size of the Company, the sole committee is the Audit Committee.

Composition of Audit Committee

The following directors are members of the Audit Committee:

Douglas E. Ford	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Martin Schultz	Independent ⁽¹⁾	Financially literate ⁽²⁾
Edward D. Ford	Independent ⁽¹⁾	Financially literate ⁽²⁾

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows:

Mr. Douglas E. Ford holds a BA in Political Science from the University of British Columbia in 1986. Mr. Ford is also directly responsible for the financial reporting of several public and private companies and has over 30 years' experience in financial reporting.

Mr. Martin Schultz holds an MBA from the University of Western Ontario in 1970. Prior to joining Dockside Capital Group Inc., a private merchant banking and venture capital firm in 1987, Mr. Schultz was a stockbroker with Bache Securities Inc. Mr. Schultz has been a past director of numerous reporting companies listed on the TSXV.

Mr. Edward D. Ford is a Canadian Chartered Accountant. He has held this professional qualification since 1961. During his career Mr. Ford has been an associate, manager and partner of several Canadian professional accounting firms that specialized in audit/assurance, taxation, insolvency and independent business consulting. Additionally, he has served as a Chief Financial Officer of several public companies.

Officers of the Company

Company officers are:

Karl Kottmeier, age 50, President.

Mr. Kottmeier has been directly responsible for the financing and administration of several public companies over the past twelve years and prior to that was an Investment Advisor at several Canadian investment firms for ten years. Mr. Kottmeier holds a BA in American History from the University of British Columbia in 1991.

Doug Ford, age 54, CFO

Mr. Ford has also been directly responsible for the administration and financial reporting of several public and private companies and has over 30 years' experience in financial reporting. Mr. Ford holds a BA in Political Science from the University of British Columbia in 1986.

Both Mr. Kottmeier and Mr. Ford dedicate approximately 25% of their time to the Company and are contracted service providers to the Company through the Company's contract with Pacific Equity Management.

Since 2006, Mr. Kottmeier and Mr. Ford have been principals of Pacific Equity Management, a corporation that provides corporate administration and finance services to private and public companies. Neither has entered into non-competition or non-disclosure agreement with the Company.

14. Capitalization

The following table sets forth the Company's share capital data as at June 30, 2018:

Common Shares Issued & Outstanding	28,652,976			
Options	900,000	Exercises \$0.10	Price:	Expiry: 6/7/2022
Options	50,000	Exercises \$0.36	Price:	Expiry: 4/8/2021

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	28,652,976	29,602,976	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held (B)	3,080,074	4,030,074	10.6%	13.5%
Total Public Float (A-B)	25,922,902	25,922,902	89.4%	86.5%

Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	Nil	Nil	Nil	Nil
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Total Tradeable Float (A-C)	<u>28,652,976</u>	<u>29,602,976</u>	<u>100%</u>	<u>100%</u>
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Public Securityholders (Registered Only)

The following information is as of June 30, 2018.

Class of Security – Common Shares

<u>Size of holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities		
100 – 499 securities		
1,500 or more securities	157	15,651,235

Public Securityholders (Beneficial – includes registered and non-registered)

The following information is as of January 31, 2018.

Class of Security – Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
Under 500 securities	1,330	25,776
500 – 999 securities	18	12,407
1,000 – 1,499 securities	11	12,780
1,500 – 4,999 securities	24	63,860
5,000 or more securities	32	5,280,617
Unable to confirm (CDS OBO's)		

Non-Public Securityholders (Registered)

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	5	3,080,074
	<u>5</u>	<u>3,080,074</u>

Warrants

As at June 30, 2018 there are 7,313,771 warrants were outstanding. Each warrant will entitle the holder to acquire one additional common shares for \$0.50 until June 25, 2020, subject to acceleration if the closing price of the common shares on the CSE is greater than \$0.60 for 10 consecutive trading days.

15. Executive Compensation

For purposes of this Listing Statement, “Named Executive Officer” or “NEO” of the Company means an individual who, at any time during the year, was:

- (a) the Company's chief executive officer (“CEO”);
- (b) the Company's chief financial officer (“CFO”);
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an

executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year;

(each a “Named Executive Officer”).

Based on the foregoing definition, during the last completed financial year of the Company, there were two Executive Officer(s), namely, its Chief Executive Officer, Karl Kottmeier, and its Chief Financial Officer, Douglas E. Ford.

Summary Compensation Table

The following table sets forth the total compensation paid to or earned by the Named Executive Officers for the Company’s most recently completed financial year.

NAME AND PRINCIPAL POSITION	YEAR ENDED JUNE	SALARY	SHARE-BASED AWARDS (\$)	OPTION-BASED AWARDS ⁽¹⁾ (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION		PENSION VALUE	ALL OTHER COMPENSATION	TOTAL COMPENSATION
					ANNUAL INCENTIVE PLANS	LONG-TERM INCENTIVE PLANS			
Karl Kottmeier President and Chief Executive Officer	2018 ⁽³⁾	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000 ⁽²⁾	\$60,000
	2017	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000 ⁽²⁾	\$60,000
	2016	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$90,000 ⁽²⁾	\$90,000
	2015	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$90,000 ⁽²⁾	\$90,000
Douglas E. Ford Chief Financial Officer	2018 ⁽³⁾	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000 ⁽²⁾	\$60,000
	2017	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000 ⁽²⁾	\$60,000
	2016	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$90,000 ⁽²⁾	\$90,000
	2015	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$90,000 ⁽²⁾	\$90,000

(1) The fair value of stock options granted during the last financial year is based on the difference between the exercise price of the stock options granted, and the last closing price of the Company’s shares on the trading date immediately preceding the dates of grant of the stock options, as a reasonable estimate of the benefit conferred at the time of the grant.

(2) Pursuant to a Management Services Agreement dated August 1, 2008, the Company paid or accrued a total of \$360,000 in management fees to Pacific Equity Management Corporation (“PEMC”) for management services (2012: \$360,000). The amounts disclosed in the table above under “All Other Compensation” represents the payments made by PEMC to the NEOs for the services rendered by the NEOs to the Company. PEMC is a management services company controlled by Karl Kottmeier and Douglas E. Ford, each of whom is a director and officer of the Company. The monthly management fee payable under the Agreement is \$20,000, plus taxes. The services provided by PEMC include the provision of the services of the following officers and employees: President, Chief Financial Officer, Accountant, Administrator and Receptionist.

(3) Expected, subject to finalization.

Named Executive Officer Options

NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS (\$) ⁽¹⁾
Karl Kottmeier	150,000	\$0.10	6/7/2022	\$75,000
Douglas E. Ford	150,000	\$0.10	6/7/2022	\$75,000

The Company does not expect to make any material changes to executive compensation for the fiscal year that will end June 30, 2018.

16. Indebtedness of Directors and Executive Officers

As at the date hereof, none of the Company's directors or executive officers are indebted to the Company or its subsidiaries.

17. Risk Factors

Risk associated with the Company

The business of the Company entails significant risks, and following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has no significant revenues. The Company has limited funds. There is no assurance that the Company can access additional capital. The future requirements for additional capital will require issuance of common shares resulting in a dilution of the share capital issued previously. There is no assurance that the Washington Acquisition will close when anticipated or at all.

Regulatory Risks

The activities of the Company will be subject to evolving regulation by governmental authorities. The legality of the production, extraction, distribution, marketing, advertising and use of cannabis differs among North American jurisdictions, and there is a growing movement in the United States supporting the legalization of cannabis for medical, as well as non-medical purposes.

United States

Currently, the states of Washington, Oregon, Nevada, Massachusetts, Maine Colorado, California and Alaska, and the District of Columbia, have legalized recreational use of cannabis. Over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis without limits on THC, while other states have legalized and regulate the sale and use of medical cannabis with strict limits on the levels of THC. However, the US federal government has not enacted similar legislation and the cultivation, sale and use of cannabis remains illegal under federal law pursuant to the U.S. Controlled Substance Act of 1970. While the DOJ under the previous US

presidential administration stated its intention not to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law, there can be no assurance that the current administration will not enforce such laws in the future. This risk is further compounded by the political and policy variability of the Donald Trump presidential administration, and the conservative, anti-cannabis stances of Attorney General Jeff Sessions, culminating in the rescission of the Cole Memorandum in January 2018. Mr. Trump's positions regarding marijuana are difficult to discern; however, Attorney General Sessions has been a consistent opponent of marijuana legalization efforts throughout his political career. It remains unclear what stance the new administration's Department of Justice might take toward legalization efforts in U.S. states. In March of 2017, Attorney General Sessions acknowledged the limited federal resources of the Department of Justice and acknowledged that much of the Cole Memorandum had merit. Despite this positive statement, he disagreed with the memo's implementation and did not commit to utilizing the Cole Memorandum going forward. The federal government of the United States has specifically reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use use marijuana even if state law sanctioned such sale and disbursement. In July of 2017 Attorney General Sessions sent letters to the Governors of Colorado, Washington, Alaska, and Oregon responding to their April 2017 request to retain the Cole Memorandum and engage with the Governors before embarking on any changes to regulatory and enforcement systems. In January 2018, Attorney General Sessions rescinded the Cole Memorandum. The impact of the rescission of the Cole Memorandum remains to be seen and, as a result, there is significant uncertainty as to the enforcement approach that will be taken by U.S. federal authorities with respect to marijuana-related activities that are otherwise compliant with applicable state laws.

In addition to his revocation of the Cole Memorandum, Attorney General Sessions also issued a one-page memorandum referred to as the "Sessions Memorandum." The Sessions Memorandum confirmed the rescission of the Cole Memorandum and explained the rationale of the United States Department of Justice in so doing: the Cole Memorandum, according to the Sessions Memorandum, was "unnecessary" due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney's Manual (the "**USAM**"). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the Attorney General," the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution," and "the cumulative impact of particular crimes on the community."

While the Sessions Memorandum does emphasize that marijuana is a Schedule I controlled substance, and states the statutory view that it is a "dangerous drug and that marijuana activity is a serious crime," it does not otherwise guide U.S. Attorneys that the prosecution of marijuana-related offenses is now a U.S. Department of Justice priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether or not to prosecute marijuana-related offenses. U.S. Attorneys could individually continue to exercise their discretion in a manner similar to that displayed under the Cole Memorandum's guidance. Dozens of U.S. Attorneys across the country have affirmed their commitment to proceeding in this manner, or otherwise affirming that their view of federal enforcement priorities has not changed, although a few have displayed greater ambivalence. In California, at least one U.S. Attorney has made comments indicating a desire to enforce the Controlled Substances Act: Adam Braverman, Interim U.S. Attorney for the Southern District of California, has been viewed as a potential enforcement hawk after stating that the rescission of the Cole Memorandum "returns trust and local control to federal prosecutors" to enforce the Controlled Substances Act. Additionally, Greg Scott, the Interim U.S. Attorney for the Eastern District of California, has a history of prosecuting medical cannabis activity: his office published a statement

that cannabis remains illegal under federal law, and that his office would “evaluate violations of those laws in accordance with our district’s federal law enforcement priorities and resources.”

Marijuana remains a Schedule I controlled substance at the United States federal level, and neither the Cole Memorandum nor its rescission has altered that status. The U.S. federal government reserves the ability to enforce federal law in regard to the production, sale, and disbursement of medical or recreational marijuana, even if state laws sanction the production, sale, and disbursement. It remains uncertain whether the risk of enforcement has actually been altered by the rescission of the Cole Memorandum.

Additionally, under U.S. federal law, it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of marijuana or any other Schedule I controlled substance. Certain Canadian banks are likewise hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

Despite these laws, the U.S. Department of the Treasury’s FinCEN issued a memorandum on February 14, 2014 (the “**FinCEN Memorandum**”) outlining the pathways for financial institutions to bank state-sanctioned marijuana businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memorandum. Under these guidelines, financial institutions must submit a Suspicious Activity Report (“**SAR**”) in connection with all marijuana-related banking activities by any client of such financial institution, in accordance with federal money laundering laws.

These marijuana-related SARs are divided into three categories – marijuana limited, marijuana priority, and marijuana terminated – based on the financial institution’s belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively. On the same day as the FinCEN Memorandum was published, the DOJ issued a memorandum directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. However, this memorandum was rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a DOJ priority.

As a result of its investments in the cannabis space, Chemistree or its subsidiaries may face difficulty obtaining bank or certain other traditional forms of financing in the United States, as well as banking services. Although there has been an increase in private sources of financing and growing acceptance of cannabis related businesses in recent years, there can be no assurance that additional financing will be available to the Company on acceptable terms or at all. The Company’s inability to raise additional financing to fund new investments or invest further capital in its existing investments could limit its growth and have a material and adverse effect on its ability to generate investment returns or profits.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make

it extremely difficult or impossible to transact business in the cannabis industry. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, the Company's investments in such businesses would be materially and adversely affected notwithstanding the fact that the Company is not directly engaged in the sale or distribution of cannabis. Federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Company, its business and its investments.

The concepts of "medical cannabis" and "retail cannabis" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company's investees of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company or its investments. Any such proceedings brought against the Company or its investments may adversely affect the Company's operations and financial performance and its ability to realize gains or profits from its investments.

There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company or its investments. Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis related investments in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

The Company's proposed investment in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the United States or any other jurisdiction.

Washington State

Washington State has both medical and adult-use marijuana programs. Washington voters initially passed its original medical law in 1998, which allowed allows physicians to recommend cannabis for an inclusive set of qualifying conditions including chronic pain and created a patient/caregiver system without explicitly permitting businesses to cultivate and sell cannabis.

However, various cannabis business developed in Washington State. In 2012, Initiative 502 legalized cannabis at a state-level in Washington for adults 21 years of age and older. Initiative 502 regulated

adult-use marijuana businesses but left the unregulated medical marijuana establishments in an uncertain situation.

In 2015, the Governor of Washington signed Senate Bill 5052 which forced the closure of existing unregulated medical dispensaries and allows existing adult-use retail marijuana stores to apply for a “medical marijuana endorsement” to sell medical marijuana tax free to registered qualifying patients and their designated caregivers.

The WSLCB regulates adult-use marijuana businesses and those with a medical endorsement. The WSLCB licenses cultivation facilities, product manufacturing facilities (“processors”), retail stores, transportation licensees, and testing facilities. All individuals and entities considered a “true party of interest” in a marijuana business license must have at least six months of Washington residency. Accordingly, Chemistree Washington will not have a WSLCB license and instead will be leasing or licensing certain assets to a WSLCB license holder. Although Chemistree Washington will not hold the WSLCB it will face many of the same risks as the license holder, as the loss of the WSLCB license would like leave it unable to make the requisite payments to Chemistree Washington. Chemistree may in turn be materially and adversely affected if it is unable to enter into new lease and license arrangements with a WSLCB license holder on terms acceptable to Chemistree or at all.

Unlike many other states, Washington prohibits vertical integration between adult-use marijuana retailers and cultivators. Common ownership between cultivation and processors is permitted. A single entity, and/or principals within an entity, are limited to no more than three marijuana producer licenses, and/or three marijuana processor licenses, or five retail marijuana licenses. The WSLCB re-opens its application process for growers, processors or retail stores at its discretion, taking into consideration factors such as patient consumption data and population dynamics.

Chemistree is not aware of any non-compliance by the WSLCB license holder with applicable WSLCB license requirements or any notices of violation. However, any future violations by the WSLCB license holder may have a material and adverse effect on Chemistree or the value of the Washington Assets.

Canada

There can be no assurance that the legalization of recreational cannabis by the Government of Canada will occur and the legislative framework pertaining to the Canadian recreational cannabis market is uncertain. The Liberal Party of Canada, which has formed the current federal Government of Canada, has made electoral commitments to legalize, regulate and tax recreational cannabis use in Canada. On April 13, 2017, the Government of Canada introduced the *Cannabis Act*, which was passed by the House of Commons on November 27, 2017. The Government of Canada has provided guidance that, subject to Senate approval and Royal Assent, it intends to provide regulated and restricted access to cannabis no later than July 2018, however there is no assurance that the legalization of cannabis by the Government of Canada will occur as anticipated or at all.

Furthermore, the legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation, which may vary across provinces and territories and result in an asymmetric regulatory and market environment, different competitive pressures and significant additional compliance and other costs and/or limitations on the Company’s ability to participate in such market. While the impact of any new legislative framework for the regulation of the Canadian recreational cannabis market is uncertain, any of the foregoing could result in a material adverse effect on the Company’s business, financial condition and operating results.

Financial Transactions

Third parties with whom the Company and its investments do business, including banks and other financial intermediaries, may perceive that they are exposed to legal and reputational risk because of the Company's cannabis business activities. Because cannabis remains illegal under U.S. federal law, a third-party service provider could reach the conclusion that their activities as a service provider are aiding and abetting the violation of the U.S. federal law. Any provision of services or sale of goods to a cannabis business could be construed as aiding and abetting violations of the U.S. Controlled Substances Act of 1970, in addition to other possible violations. Financial institutions may also be concerned that they would be at risk of prosecution for violation of U.S. money laundering laws and the Bank Secrecy Act, in addition to other potential violations. Any third-party service provider could suspend or withdraw its services to the Company or its investee companies if it perceives that the potential risks exceed the potential benefits to such services. If the Company's investments operating in the U.S. are unable to utilize financial institutions or third party services providers, or bank accounts are subject to special restrictions preventing the processing of wire transfers, they may be unable to meet payment obligations to the Company or pay dividends or other amounts to the Company.

Regulatory agencies could also impose restrictions on the Company's ability to operate in the United States. The cannabis industry in the United States is regulated almost entirely at the state and local level, giving rise to complex systems of regulation which can change dramatically from one jurisdiction to the next. Maintaining compliance with diverse regulations in myriad jurisdictions is inherently difficult, and regulatory agencies generally maintain wide-reaching authority to interpret the applicable regulations of their jurisdiction as they see fit, which can often produce materially adverse consequences. Any regulatory agency with jurisdiction over the Company's operations or the operations of any of its affiliates could elect to revoke or take other adverse action against any licenses authorizing cannabis business activity in such jurisdiction, even if the Company or applicable affiliate is actually compliant with applicable state and local law. This would materially restrict the Company's ability to operate in whichever jurisdiction of the United States such action was taken.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that could make it extremely difficult or impossible to transact business in the cannabis industry. If the federal government begins to enforce federal laws relating to cannabis in states where its sale and use is currently legal, or if existing state laws are repealed or curtailed, the Company's investments in such businesses would be materially and adversely affected notwithstanding the fact that the Company is not directly engaged in the sale or distribution of cannabis. Federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana-related legislation could adversely affect the Company, its business and its investments.

Balance Sheet Exposure

The Washington Acquisition and a substantial portion of the Company's future investments may be in the United States. Accordingly, a substantial portion of the Company's success, ability to generate returns on its investments, realize on its investments or otherwise generate income will be subject to risks associated with U.S. cannabis related activities.

Additional Risks Associated with our Business and Industry

Lack of cash flow which may affect our ability to continue as a going concern. Presently, our operating cash flows are not sufficient to meet operating and capital expenses. Our business plan calls for continued research and development of our services and products and expansion of our market share. We will require additional financing to fund working capital and pay for operating expenses and capital requirements until we achieve a positive cash flow.

In particular, additional capital may be required in the event that: The occurrence of any of the aforementioned events could adversely affect our ability to meet our proposed business plans. We depend on a mix of revenues and outside capital to pay for the continued development of our business offering and the marketing of our products. Such outside capital may include the sale of additional stock and/or commercial borrowing. There can be no assurance that capital will continue to be available if necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to us. Disruptions in financial markets and challenging economic conditions have and may continue to affect our ability to raise capital. The issuance of additional equity securities by us would result in a dilution, possibly a significant dilution, in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Our future revenue, operating results and gross margin may fluctuate significantly and unpredictably from quarter-to-quarter and from year-to-year, which could have a material adverse effect on our operating results.

However, there is no assurance that actual cash requirements will not exceed our estimates. In particular, additional capital may be required in the event that:

- we incur delays and additional expenses as a result of technology failure;
- we are unable to create a substantial market for our products and services; or
- we incur any significant unanticipated expenses. The rate at which our customers order our products, and the size of these orders, are highly variable and difficult to predict. Because any substantial adjustment to expenses to account for lower levels of revenue is difficult and takes time, if our revenue declines, our operating expenses and general overhead would likely be high relative to revenue, which could have a material adverse effect on our operating margin and operating results.

If we are not able to manage our operating expenses, then our financial condition may be adversely affected.

Our ability to reach and maintain profitability is conditional upon our ability to manage our operating expenses. There is a risk that we will have to increase our operating expenses in the future. Factors that could cause our operating expenses to increase include our determination to spend more on sales and marketing in order to increase product sales or our determination that more research and development expenditures are required in order to keep our current software products competitive or in order to develop new products for the market. To the extent that our operating expenses increase without a corresponding increase in revenue, our financial condition would be adversely impacted.

We face larger and better-financed competitors, which may affect our ability to achieve or maintain profitability. Management is aware of similar products which compete directly with the some of the feature of our products and some of the companies developing these similar products are larger and better-financed than us and may develop products superior to those of our company. In addition to price competition, increased competition may result in other aggressive business tactics from our competitors, such as:

- demand for our products and the timing and size of customer orders;
- length of sales cycles, which may be extended by selling our products through channel partners;
- length of time of deployment of our products by our customers;
- customers' budgetary constraints;
- competitive pressures;
- general economic conditions;
- emphasizing their own size and perceived stability against our smaller size and narrower recognition; and
- making early announcements of competing products and employing extensive marketing efforts; and such competition may potentially adversely affect our profitability.

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations. A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital, or a delisting from a stock exchange on which our common stock trades. Because our operations have been partially financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our continued operations. Any reduction in our ability to raise equity capital in the future would force us to reallocate funds from other planned uses and would have a significant negative effect on our business plans and operations, including our ability to develop new products and continue our current operations. If our stock price declines, there can be no assurance that we can raise additional capital or generate funds from operations sufficient to meet our obligations.

We may in the future be subject to damaging and disruptive intellectual property litigation that could materially and adversely affect our business, results of operations and financial condition, as well as the continued viability of our company. We may be unaware of filed patent applications and issued patents that could relate to our products and services. Intellectual property litigation, if determined against us, could result in the loss of a substantial number of existing customers or prohibit the acquisition of new customers; Parties making claims of infringement may be able to obtain injunctive or other equitable relief that could effectively block our ability to provide our products or services and could cause us to pay substantial royalties, licensing fees or damages. The defense of any lawsuit could result in time-consuming and expensive litigation, regardless of the merits of such claims.

We could lose our competitive advantages if we are not able to protect any proprietary technology and intellectual property rights against infringement, and any related litigation could be time-

consuming and costly. The measures we take to protect the proprietary technology software, and other intellectual property rights, which presently are based upon a combination of patents, patents pending, copyright, trade secret and trademark laws, may not be adequate to prevent their unauthorized use. Further, the laws of foreign countries may provide inadequate protection of such intellectual property rights. We may need to bring legal claims to enforce or protect such intellectual property rights. Any litigation, whether successful or unsuccessful, could result in substantial costs and divert resources from intended uses. In addition, notwithstanding any rights we have secured in our intellectual property, other persons may bring claims against us that we have infringed on their intellectual property rights, including claims based upon the content we license from third parties or claims that our intellectual property right interests are not valid. Any claims against us, with or without merit, could be time consuming and costly to defend or litigate, divert our attention and resources, result in the loss of goodwill associated with our service marks or require us to make changes to our website or other of our technologies.

Our products may become obsolete and unmarketable if we are unable to respond adequately to rapidly changing technology and customer demands. Our industry is characterized by rapid changes in technology and customer demands. As a result, our products may quickly become obsolete and unmarketable. Our future success will depend on our ability to adapt to technological advances, anticipate customer demands, develop new products and enhance our current products on a timely and cost-effective basis. Further, our products must remain competitive with those of other companies with substantially greater resources. We may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of new products or enhanced versions of existing products. Also, we may not be able to adapt new or enhanced services to emerging industry standards, and our new products may not be favorably received.

Unless we can establish market acceptance of our current products and services, our potential revenues may be significantly reduced.

We expect that a substantial portion of our future revenue will be derived from the sale of our services. We expect that these product offerings and their extensions and derivatives will account for a majority of our revenue for the foreseeable future. Broad market acceptance of our software products is, therefore, critical to our future success and our ability to continue to generate revenues. Failure to achieve broad market acceptance of our software products as a result of competition, technological change, or otherwise, would significantly harm our business. Our future financial performance will depend primarily on the continued market acceptance of our current software product offerings and on the development, introduction and market acceptance of any future enhancements. There can be no assurance that we will be successful in marketing our current product offerings or any new product offerings, applications or enhancements, and any failure to do so would significantly harm our business.

We may in the future be subject to damaging and disruptive intellectual property litigation that could materially and adversely affect our business, results of operations and financial condition, as well as the continued viability of our company.

We may be unaware of filed patent applications and issued patents that could relate to our products and services. Intellectual property litigation, if determined against us, could:

- cause us to lose access to key distribution channels;

- result in substantial employee layoffs or risk the permanent loss of highly-valued employees;
- materially and adversely affect our brand in the market place and cause a substantial loss of goodwill;
- affect our ability to raise additional capital;
- cause our stock price to decline significantly; and
- lead to the bankruptcy or liquidation of our company.

Dependence Upon, and Need for, Key Personnel

The Company, and will be for the foreseeable future, dependent upon the performance of a limited number of key personnel. The loss of a key individual or a reduction in the time devoted by such persons to the Company's business could have a materially adverse effect on the Company's business. The Company's future success will depend on part on its ability to attract and retain highly qualified personnel. The Company faces competition for such personnel from other companies, governmental/academic institutions and other organizations, many of which have significantly greater resources than the Company. There is no assurance that the Company will be able to attract and retain the necessary personnel on acceptable terms, or at all.

Limited liquidity, additional financing and uncertainty of such financing

Current financial resources are able to fund the Company's operations. The Company will require additional financing, however, to make additional investments and to fund corporate costs that are beyond the current financial resources. There is no assurance that the Company will be successful in obtaining the required financing either through issuance of common shares, divestment of assets or partnerships. A lack of financing would cause the Company to postpone its investment plans, reduce its staff or consultants, and could necessitate liquidating investments and/or will cause going concern issues for the Company.

Dilution

Issuances of additional securities at or near the current share price of the Company would result in significant dilution of the equity interests of any persons who are holders of common shares.

Dependence on management

The Company will be dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Potential conflicts of interest

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest, to the extent that such other companies

may participate in ventures in which the Company is also participating. The laws of British Columbia require the directors and officers to act honestly, in good faith, and in the best interests of the Company. In addition, each director must declare his or her interest and abstain from voting on any contract or transaction in which the director may have a conflict of interest.

Risks relating to statutory and regulatory compliance

Failure to comply with applicable laws, regulations and permits may result in enforcement actions there under, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company is not currently covered by any form of environmental liability insurance. See "*Insurance Risk*", below.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration.

Insurance risk

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company seeks to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. The Company carries liability insurance with respect to its corporate operations, but does not currently intend to carry any form of political risk insurance or any form of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. In addition, the Company may not be able to obtain insurance with respect to cannabis related operations or investments at any cost. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

Competition

Competition exists for social media, branding and marketing companies in the jurisdictions in which the Company conducts operations and competition is significant in the cannabis investment sector, with a number of non-traditional sources of financing emerging and growing acceptance of cannabis related activities among more traditional sources of financing. As a result of this competition, much of which is with large, established companies with substantially greater financial and technical resources than the Company, the Company may be unable to acquire additional clientele or identify additional investments on terms it considers acceptable or at all. The Company also competes with other investment, cannabis, social media, technology, design and branding companies in the recruitment and retention of qualified employees.

Operating losses; Dividends unlikely

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future. The Company has not paid any dividends since the date of its incorporation, and it is not anticipated that dividends will be declared in the short or medium term.

Investments may be pre-revenue

The Company may make investments in entities that have no significant sources of operating cash flow and no revenue from operations. As such, the Company's investments are subject to risks and uncertainties that new companies with no operating history may face. In particular, there is a risk that the Company's investments will not be able to: (i) implement or execute their current business plan, or create a business plan that is sound; (ii) maintain their anticipated management team; and/or (iii) raise sufficient funds in the capital markets or otherwise to effectuate their business plan. If the Company's investments cannot execute any one of the foregoing, their businesses may fail, which could have a materially adverse impact on the business, financial condition and operating results of the Company.

Lack of control over operations of investments

The Company will depend upon its investments or strategic relations to execute on their business plans and produce medical and/or recreational cannabis products, and holds contractual rights and minority equity interest relating to the operation of the Company's investments. The operators of the Company's investments have significant influence over the results of operations of the Company's investments. Further, the interests of the Company and the operators of the Company's investments may not always be aligned. As a result, the cash flows of the Company are dependent upon the activities of third parties which creates the risk that at any time those third parties may: (i) have business interests or targets that are inconsistent with those of the Company; (ii) take action contrary to the Company's policies or objectives; (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company, to regulators or under applicable laws, which may result in the loss of necessary governmental approvals or licenses; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend a third party's ability to perform its obligations. In addition, payments may flow through the Company's investments, and there is a risk of delay and additional expense in receiving such revenues. In addition, the Company must rely, in part, on the accuracy and timeliness of the information it receives from the Company's investments, and uses such information in its analysis, forecasts and assessments relating to its own business. If the information provided by investment entities to the Company contains material inaccuracies or omissions, the Company's ability to accurately forecast or achieve its stated objectives, or satisfy its reporting obligations, may be materially impaired.

Investments in private companies and illiquid assets

The Company may invest in securities of or lend or otherwise provide financing to private companies. In some cases, the Company may be restricted by contract or generally by applicable securities laws from selling such securities for a period of time. Such securities may not have a ready market and the inability to sell such securities or to sell such securities on a timely basis or at acceptable prices may impair the Company's ability to exit such investments when the Company considers it appropriate.

Unfavourable perception or publicity

The regulated cannabis industry in the United States and Canada is at an early stage of development. The Company believes the medical and recreational cannabis industry is highly dependent on consumer perception regarding the safety and efficacy of recreational and medical cannabis. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect on the business of the Company. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consumer such products legally, appropriately or as directed.

The ability of Chemistree's investments to gain or increase market acceptance of their Products or services may require them to establish and maintain brand names and reputation. In the United States, it may be difficult or impossible to obtain federal trademark protection. While state-level protection may be available, this nevertheless increases the risks in protecting investments' brands until such time as the Controlled Substances Act is amended by federal legislation. Furthermore, in order to obtain such protection, substantial expenditures on product development, strategic relationships and marketing initiatives may be required. There can be no assurance that these initiatives will be successful and their failure may have an adverse effect on the Company.

Risks associated with investments

As part of the Company's investment strategy, the Company intends to pursue strategic investment or acquisitions, which could provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. The success of any such investments or acquisitions will depend, in part, on the ability of the Company to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Company. Future investments may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses; and (g) exposure to additional regulatory or legal regimes or risks. In addition, any proposed acquisitions may be subject to regulatory approval.

While Chemistree seeks to conduct due diligence that its management believes is reasonable given the scale and scope of its investments, there are both foreseen and unforeseen risks inherent in any investment. Specifically, there could be unknown or undisclosed risks or liabilities of such companies or liabilities that transfer by operation of law with respect to asset acquisitions for which the Company may not be indemnified sufficiently or at all. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial

performance and results of operations and lead to write downs or write offs of the value of its investments. The Company may incur additional transactional and integration related costs or experience other factors such as the failure to realize all of the benefits from the acquisition.

Operating licenses

The Company's investments may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate their respective businesses. In addition, the Company's investments may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on, or a loss of, an investment's ability to operate in the cannabis industry, which could have a material adverse effect on the value of the Company's investments.

Litigation risks

Chemistree's investments in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against the Company or its investments. Litigation, complaints, and enforcement actions involving either of the Company or its investments could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Product Liability

Certain of the Company's investments manufacture, process and/or distribute products for consumption by humans and, as a result, face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury or adverse health effects. In addition, previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against Chemistree's investments may result in increased costs, adversely affect the Company's reputation, and have a material adverse effect on the results of operations and financial condition of the Company or its investments.

18. Promoters

There is no person or company that has been, within the past three most recently completed financial years or during the current financial year, a promoter of the Company or a subsidiary of the Company, as such term is defined in the Securities Act.

19. Legal Proceedings

To the best of the Company's knowledge, there are no legal proceedings that the Company is or was a party to, or that any of its property is or was the subject of, during the most recently completed financial year.

To the best of the Company's knowledge, there are no (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year, (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, or (c) settlement agreements the Company

entered into before a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year.

20. Interest of Management and Others in Material Transactions

During the three most recently completed financial years ended June 30, 2015, 2016 and 2017, and the subsequent period to the date of this listing statement, no director, officer or 10% shareholder of the Company or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or its subsidiaries, except as may be disclosed in this document.

21. Auditors, Transfer Agents and Registrars

The Auditors for the Company are:

Charlton and Company, Chartered Accountants
555 Burrard Street, Suite 1735, Box 243
Vancouver, B.C. V7X 1M9

The Registrar and Transfer Agents for the Company are:

Computershare Trust Company of Canada
2nd Floor, 510 Burrard Street
Vancouver, B.C. V6C 3B9

22. Material Contracts

Management Contract

Pursuant to a Management Services Agreement dated as of August 1, 2008, as amended June 29, 2015, and February 1, 2017, the Company has engaged Pacific Equity Management Corporation ("PEMC") for management services. PEMC is a management services company controlled by Karl Kottmeier and Douglas E. Ford, each of whom is a director and/or officer of the Company. The monthly management fee payable under the Agreement is \$20,000, plus taxes. The services provided by PEMC include the provision of the services of the following officers and employees: President, Chief Financial Officer; Vice President-Finance, Administrator; Corporate Development Manager; and Receptionist. The Agreement may be terminated by either party on six months' notice. In the event there is a change of effective control of the Company, PEMC has the right to terminate the Agreement and in such event the Company shall pay PEMC a severance payment equal to twelve (12) months management fees. For purposes of the Agreement, "change of effective control" of the Company shall be deemed to have occurred when voting shares of the Company are acquired by any one person or group of persons acting in concert, through one transaction or a series of transactions, which when added to the number of voting shares previously owned by such person or group of persons acting in concert, would equal at least twenty percent (20%) of the total issued voting shares of the Company from time to time.

Consulting Agreement

Rent & Office Services Contract

Pursuant to a Services Agreement dated as of July 1, 2017, the Company has agreed to pay to PEMC \$2,500 per month, plus taxes for the provision of office space, office equipment and

associated administrative services. The Agreement may be terminated by either party on six months' notice.

Washington Acquisition Agreement

Pursuant to the Washington Acquisition Agreement, Chemistree Washington will acquire certain assets, including, but not limited to, all brands, trademarks, websites, URLs, packaging, goods in process, social media accounts, inventory, vehicles, leases, software, furniture, systems, equipment, lighting, assignments, client lists and marketing materials comprising the Washington Assets from the Washington Vendor. The acquisition does not include any receivables, payables, warranties, employee or tax liabilities.

Consideration for the Washington Assets will be US\$1,000,000 payable in cash. US\$800,000 will be payable upon closing of the Washington Acquisition, and four instalments of US\$50,000 each will be payable at the end of each of the four calendar months following closing, commencing on the last day of the first full month after closing. Notwithstanding the foregoing, US\$540,000 of the consideration payable upon closing will be placed into escrow and used to satisfy certain liabilities of the Washington Vendor relating to its accounts payable.

23. Interest of Experts

Name of Experts

The following people have prepared or certified reports by the Company during the Company's most recently completed financial year and whose profession or business gives authority to the report:

Mr. Robert Charlton
Charlton and Company, Chartered Accountants
555 Burrard Street, Suite 1735, Box 243
Vancouver, B.C. V7X 1M9

None of the above-mentioned experts has any registered or beneficial interest, directly or indirectly, in any securities of the Company greater than one per cent, or other properties of the Company.

24. Other Material Facts

Not applicable.

25. Financial Statements

The Financial Statements of the Company for the previous three financial years (June 2015, 2016 and 2017) are included herewith as Appendix A. The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Company and two directors of the Company. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

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

Dated at Vancouver, BC

this 16th day of July, 2018.



Karl Kottmeier, Chief Executive Officer



Douglas Ford, Chief Financial Officer

N/A


Promoter (if applicable)



Edward Ford, Director



Justin Chorbajian, Director



Martin Schultz, Director

APPENDIX A

Financial Statements 2015-2017

WHATTOZEE NETWORKS INC.
(Formerly – Bama Gold Corp.)

Financial Statements
(Expressed in Canadian Dollars)

For the years ended June 30, 2016 and 2015



charlton

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BOX 243
VANCOUVER, BC V7X 1M9

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Whattozee Networks Inc.

We have audited the accompanying financial statements of Whattozee Networks Inc., which comprise the statements of financial position as at June 30, 2016 and 2015 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended June 30, 2016 and 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Whattozee Networks Inc. as at June 30, 2016 and 2015 and its financial performance and cash flows for the years ended June 30, 2016 and June 30, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
October 27, 2016

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)
Statement of Financial Position
(Expressed in Canadian Dollars)

		June 30,	
		2016	2015
		\$	\$
	<i>Notes</i>		
ASSETS			
Current assets			
Cash and cash equivalents		34,384	196,372
Taxes receivable		24,571	3,935
Prepays and deposits		4,236	-
Total current assets		63,191	200,307
Non-current assets			
Exploration and evaluation assets	4	-	26,667
Total assets		63,191	226,974
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		46,643	23,907
Due to related parties	6	28,245	-
Total current liabilities		74,888	23,907
Total liabilities		74,888	23,907
SHAREHOLDERS' EQUITY			
Share capital	7	9,613,138	9,265,168
Contributed surplus	7	693,365	629,554
Deficit		(10,318,200)	(9,691,655)
Total shareholders' equity		(11,697)	203,067
Total liabilities and equity		63,191	226,974

Nature and continuance of operations (Note 1)

Events after the reporting period (Note 13)

APPROVED BY THE DIRECTORS:

Signed: "**Martin Schultz**"

Director

Signed: "**Douglas Ford**"

Director

The accompanying notes form an integral part of these financial statements

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)
Statement of Comprehensive Loss
(Expressed in Canadian Dollars)

		Years ended June 30	
		2016	2015
		\$	\$
	Notes		
Expenses			
Business development	5,6	191,362	-
Consulting services	5,6	111,150	-
Exploration expenses	4	-	-
General and administrative	6	48,028	31,873
Insurance		9,450	9,821
Management fees	6	120,000	360,000
Professional fees		30,154	28,933
Share based compensation	7	63,811	-
Transfer agent and regulatory fees		26,004	22,636
		<u> </u>	<u> </u>
Loss before other items		(599,959)	(453,263)
Other income	6	-	370,000
Impairment	4	(26,667)	-
Interest income		536	2,167
Foreign exchange loss		(455)	-
		<u> </u>	<u> </u>
Net loss and comprehensive loss for the year		(626,545)	(81,097)
		<u> </u>	<u> </u>
Loss per common share - basic and diluted		(0.05)	(0.01)
		<u> </u>	<u> </u>
Weighted average number of common shares outstanding			
- basic and diluted		<u>13,343,855</u>	<u>7,895,907</u>

The accompanying notes form an integral part of these financial statements

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Years ended June 30	
	2016	2015
	\$	\$
	<i>Notes</i>	
OPERATING ACTIVITIES		
Net loss for the year	(626,545)	(81,097)
Items not affecting cash		
Mineral property impairment	4 26,667	-
Share based compensation	7 63,811	-
	<u>(536,067)</u>	<u>(81,097)</u>
Changes in non-cash working capital items:		
Taxes receivable	(20,636)	7,064
Prepaid expenses	(4,236)	-
Accounts payable and accrued liabilities	22,736	(102,482)
Due to related parties	28,245	(441,155)
Cash used in operating activities	<u>(509,958)</u>	<u>(617,670)</u>
 FINANCING ACTIVITIES		
Common shares issued for cash	350,000	275,000
Share issue costs	(2,030)	(6,316)
Promissory Note	-	(550,000)
Cash provided by financing activities	<u>347,970</u>	<u>(281,316)</u>
 Total change in cash during the year	 (161,988)	 (898,986)
Cash and cash equivalents, beginning of year	<u>196,372</u>	<u>1,095,358</u>
Cash and cash equivalents, end of year	<u>34,384</u>	<u>196,372</u>
 Cash and cash equivalents is comprised of:		
Cash	22,884	196,372
Short-term deposits	11,500	-
	<u>34,384</u>	<u>196,372</u>
 Cash paid for:		
Interest	-	-
Income taxes	-	-
	<u>-</u>	<u>-</u>
 Cash received for:		
Interest	536	2,167

Significant non-cash transactions

11

The accompanying notes form an integral part of these financial statements

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)
Statement of Changes in Equity
(Expressed in Canadian Dollars)
For the years ended June 30, 2016 and 2015

Notes	Number of shares	Share capital \$	Contributed surplus \$	Deficit \$	Total \$
Balance at June 30, 2014	7,645,221	8,996,484	629,554	(9,610,558)	15,480
Loss for the year	-	-	-	(81,097)	(81,097)
Shares issued for cash (private placement)	4,300,000	275,000	-	-	275,000
Share issuance costs	-	(6,316)	-	-	(6,316)
Balance at June 30, 2015	11,945,221	9,265,168	629,554	(9,691,655)	203,067
Balance at June 30, 2015	11,945,221	9,265,168	629,554	(9,691,655)	203,067
Loss for the year	-	-	-	(626,545)	(626,545)
Shares issued for cash (private placement)	3,500,000	350,000	-	-	350,000
Share issuance costs	-	(2,030)	-	-	(2,030)
Share based compensation	-	-	63,811	-	63,811
Balance at June 30, 2016	15,445,221	9,613,138	693,365	(10,318,200)	(11,697)

The accompanying notes form an integral part of these financial statements

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)

Notes to the Financial Statements

June 30, 2016

1. Nature and continuance of operations

Whattozee Networks Inc. (the "Company") was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Whattozee Networks Inc. became effective June 9, 2016. The Company's registered office is located at Suite 1450 - 701 West Georgia Street, Vancouver, British Columbia.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves.

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at June 30, 2016, the Company had a working capital deficit of \$11,697 (2015: \$176,400) and had accumulated a deficit of \$10,318,200 (2014: \$9,691,655) since inception.

The Company's future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions. The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Statement of Compliance

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

Effective December 30, 2014, the Company consolidated its common share capital on a 5-old for 1-new basis, whereby each five old shares are equal to one new share without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements reflect the share consolidation unless otherwise noted.

These financial statements were approved for issue by the Board of Directors on October 27, 2016.

b) Basis of Measurement

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)

Notes to the Financial Statements

June 30, 2016

3. Significant accounting policies

a) Cash and cash equivalents

The Company considers all highly liquid instruments, generally with a maturity of three months or less at the time of issuance, to be cash equivalents.

b) Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgments

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they were granted. Estimating the fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Deferred income taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

c) Basic and diluted loss per share

The loss per share figures is calculated using the weighted average number of shares outstanding during the respective fiscal years. The calculation of loss per share figures using the Treasury Stock Method considers the potential exercise of outstanding share purchase options and warrants or other contingent issuances to the extent each option, warrant or contingent issuance was dilutive. For all years presented, diluted loss per share is equal to basic loss per share as the potential effects of options, warrants and conversions are anti-dilutive.

Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same for the years presented.

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)

Notes to the Financial Statements

June 30, 2016

3. Significant accounting policies (cont'd)

d) Financial instruments

The Company designates its financial assets, as loans and receivables, available for sale and fair value through profit and loss ("FVTPL"). Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in the active market. These assets are comprised of cash and cash equivalents and are initially measured at fair value and subsequently at amortized cost less any impairment.

Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income, unless such assets are determined to be impaired in which case the impairment loss is reclassified out of other comprehensive income and recognized in the Statement of Comprehensive Income for that period. The reversal of previously recognized impairment losses are recognized directly in equity and not reversed through the Consolidated Statements of Comprehensive Income. The Company does not have any financial assets classified as available-for-sale.

Financial assets designated as FVTPL when they are held for trading. A financial asset is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for that period. The Company does not have any financial assets classified as FVTPL.

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost. These liabilities include accounts payables and accrued liabilities.

Transaction costs on financial assets and liabilities other than those classified as FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

The Company does not have any derivative or embedded derivative instruments.

e) Exploration and evaluation assets

Exploration and evaluation expenditures relate to the initial search for a mineral deposit and the subsequent evaluation to determine the economic potential of the mineral deposit. The exploration and evaluation stage commences when the Company obtains the legal right or license to begin exploration. This stage ends when management determines there is sufficient evidence to support the probability of future mining operations of economically recoverable reserves, and requires significant judgment on the part of management.

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired.

When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

Exploration and evaluation expenditures are recognized in earnings in the period in which they are incurred.

Management reviews the carrying value of capitalized exploration and evaluation expenditures when circumstances require, and at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for properties present costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

f) Share issuance costs

All professional fees and commissions incurred directly with the issue of the Company's shares are charged directly to share capital

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)

Notes to the Financial Statements

June 30, 2016

3. Significant accounting policies (cont'd)

g) Share-based compensation

The Company applies the fair value method of accounting for all stock option awards and equity settled restricted share units. Under this method, the Company recognizes a compensation expense for all stock options awarded to employees, based on the fair value of the options on the date of grant which is determined by using the Black-Scholes option pricing model for stock option awards, and the quoted market value of the shares for restricted share units. The fair value of the options is expensed over the vesting period of the options. No expense is recognized for awards that do not ultimately vest.

Option valuation models such as Black-Scholes, require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

h) Current and deferred income tax

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Deferred tax assets and liabilities are determined based on differences between the tax and accounting basis of assets and liabilities. Deferred tax assets or liabilities are calculated using the substantially enacted tax rates for the period in which the differences are expected to be realized or settled. Deferred tax assets are recognized to the extent that they are considered recoverable.

i) Flow-through Shares

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from qualifying expenditures that the company made with the proceeds. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" are recorded as a deferred credit. When expenditures are renounced, a deferred tax liability is recognized and the deferred credit is reversed. The net amount is recognized as a deferred income tax recovery.

j) Provisions

When the Company has a present legal or constructive obligation as a result of a past event, a provision is recognized only when the obligation is estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as finance expense.

k) Impairment of non-financial assets

The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management and are measured at the difference between the fair value of the long-lived asset and its carrying amount.

l) Site restoration obligation

Provisions for site restoration obligations are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over future production from the property to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates, and operating lives. Changes to estimated future costs are recognized in the statement of financial position by adjusting the site restoration asset and liability.

m) Environmental risk

The Company is engaged in resource exploration and development and is accordingly exposed to environmental risks associated with such activity. The properties the Company holds interest in are currently in the initial exploration stages and it has not determined whether significant site reclamation costs will be required. The Company would only record liabilities for site reclamation when reasonably determinable and when such costs can be reliably quantified. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)

Notes to the Financial Statements

June 30, 2016

3. Significant accounting policies (cont'd)

n) Agent warrants and warrants

Warrants issued to agents in connection with a financing are recorded at fair value and charged to share issue costs associated with the offering with an offsetting credit to contributed surplus in shareholders' equity.

Warrants included in units offered to subscribers in connection with financings are valued using the residual value method whereby proceeds are first allocated to the fair value of the shares and the excess if any, allocated to the warrants.

o) Future accounting changes

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New Accounting Standards

New standards adopted during the year

- IAS 24 Related Party Disclosures – annual improvements to IFRSs 2010-2012 cycle

Amended to clarify that an entity providing key management services to the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This standard is effective for annual periods beginning on or after July 1, 2014. Adoption of this standard resulted in additional related party disclosure.

Certain other pronouncements were adopted by the Company on July 1, 2015, none of which had a significant impact on the Company consolidated financial statements.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IAS 27: Amended to restore option to use equity method to account for investments in subsidiaries, joint ventures and associates for annual period beginning on or after January 1, 2016.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)**Notes to the Financial Statements**

June 30, 2016

4. Mineral properties

	Turner Lake Property	Total
	\$	\$
June 30, 2016		
Mineral properties, beginning of the year	26,667	26,667
Impairment	(26,667)	(26,667)
Mineral properties, end of the year	-	-
June 30, 2015		
Mineral properties, beginning of the year	26,667	26,667
Impairment	-	-
Mineral properties, end of the year	26,667	26,667

Turner Lake Property (Nunavut, Canada)

Pursuant to an Option Agreement dated November 8, 2007, effective March 19, 2009, the Company exercised its option to acquire a 75% interest in the Turner Lake Gold property from Trade Winds Ventures Inc. ("Trade Winds"). The property is comprised of four claims: Jam 1, Jam 2, Jam 3 and Jam 4.

During the year ended June 30, 2010, the Company executed and completed an agreement with joint venture partner Trade Winds; to acquire the remaining 25% interest in the Turner Lake property. As consideration for the purchase, the Company issued 34,000 common shares of the Company valued at \$68,000 and granted a 1% Net Smelter Royalty to Trade Winds. The Company can acquire Trade Winds' NSR for \$1.25 million. One of the four claims [Jam 1] comprising the Turner Lake property is subject to an additional 1% NSR held by a third party.

Effective May 4, 2015, the Company entered into a letter agreement with Pacific Cascade Minerals Inc. ("PCV"), whereby PCV could acquire a 60-per-cent interest in the Turner Lake project. PCV could exercise the option once it paid \$20,000 to Whattozee in three payments prior to September 30, 2015, and once it had incurred a total of \$20,000 (U.S.) in exploration and development expenditures prior to May 1, 2016. During the year, the agreement with PCV was terminated due to PCV's inability to make the required payments to the Company.

During the year, the Company determined that due to the level of inactivity within the property, impairment of the property should be recognized. As a result, the Company recorded a \$26,667 property impairment expense thus reducing the carrying value of the Turner Lake Property to \$nil to more accurately reflect the realizable value of the property.

Exploration and Development expenditures for the year ended June 30, 2016 are as follows:

	Turner Lake Property	Total
	\$	\$
Camp supplies and field costs	-	-
Consultants	-	-
Drilling	-	-
Geological	-	-
Government fees	-	-
Office and administration	-	-
June 30, 2016	-	-
June 30, 2015		
Camp supplies and field costs	-	-
Consultants	-	-
Drilling	-	-
Geological	-	-
Government fees	-	-
Office and administration	-	-
June 30, 2015	-	-

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)**Notes to the Financial Statements**

June 30, 2016

5. Diversification strategy

In an effort to diversify, commencing in the current period, the Company has engaged the services of an external consultant to review projects in the technology space and to potentially develop technology-based concepts in-house. The Company has identified an underserved niche; and is developing the concept internally under the project name “Whattozee”. Whattozee synthesizes two online businesses on one platform; event planning and social media endorsement merge under Whattozee’s automated engine. This organically developed concept is still in its formative stages.

6. Related party transactions and balances

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the years ended June 30, 2016 and 2015, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Pacific Equity Management Corp. (“PEMC”)	Management fees for services provided by CEO, CFO, VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff.
Contact Financial Corp. (“CFC”)	Rent and shared office expenses.
1044825 BC Ltd. (“1BL”)	Consulting fees for services provided by CTO

Due to related parties include the following amounts:

	June 30, 2016	June 30, 2015
	\$	\$
PEMC	28,245	nil
CFC	nil	nil
	<u>28,245</u>	<u>nil</u>

For the year ended June 30, 2016, the Company paid \$45,000 (2015: \$30,000) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer and director of the Company is a significant shareholder. Pursuant to an amended rental agreement, the Company is required to pay \$5,000 per month and the agreement can be terminated by either party with six months’ notice.

For the year ended June 30, 2016, the Company paid or accrued a total of \$120,000 (2015: \$360,000) to PEMC, a company controlled by officers of the Company for management services. Pursuant to a Management Services Agreement, the Company was required to pay \$30,000 per month, and the agreement can be terminated by either party with six months’ notice. Pursuant to a settlement agreement dated June 29, 2015, the Company and PEMC agreed to: (i) settle all outstanding amounts for the payment of \$150,000 plus taxes and (ii) indefinitely reduce the ongoing retainer amount under the agreement to \$10,000 per month effective July 1, 2015. The result of this settlement required that the Company record other income of \$370,000 (2014: \$nil) to recognize the amount of management fee expense forgiven.

The aggregate values of transactions relating to key management personnel were as follows:

	June 30, 2016	June 30, 2015
	\$	\$
CEO fees	18,150	55,000
CFO fees	18,150	55,000
Other management fees	36,300	110,000
Rent	45,000	30,000

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)**Notes to the Financial Statements**

June 30, 2016

7. Share capital and contributed surplus

a) Authorized:

Unlimited common shares without par value

Effective December 30, 2014, the Company consolidated its common share capital on a 5-old for 1-new basis, whereby each five old shares are equal to one new share without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements reflect the share consolidation unless otherwise noted.

b) Issued common shares: Refer to Statement of Changes in Equity

c) Private placements

Effective April 8, 2016, the Company closed the final tranche of the private placement announced October 22, 2015. It issued 1,450,000 common shares at \$0.10 cents per share, for proceeds of \$145,000. Effective December 22, 2015, the Company issued 2.05 million common shares at \$0.10 cents per share, for proceeds of \$205,000 in the first tranche closing of a non-brokered private placement. The proceeds from both private placements were added to the Company's working capital.

Effective June 30, 2015, the Company completed a non-brokered private placement. The Company issued 4,000,000 shares at \$0.05 for proceeds of \$200,000.

Effective August 29, 2014, the Company closed the final tranche of a non-brokered private placement. The Company issued 300,000 Units at \$0.25 for proceeds of \$75,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the company for a period of 18 months from the closing date at a price of \$0.50 per common share.

d) Warrants:

Warrant transactions are summarized as follows:

	Warrants	Weighted Average Exercise Price \$
Balance June 30, 2015	3,600,000	0.50
Expired	(3,600,000)	(0.50)
Balance June 30, 2015	Nil	-

e) Options:

During the year ended June 30, 2009, the Company adopted a Stock Option Plan (the "Plan"). The purpose of the Plan is to give to eligible persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time to time.

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)**Notes to the Financial Statements**

June 30, 2016

7. Share capital and contributed surplus – (cont'd)

e) Options – (cont'd)

	Options	Weighted Average Exercise Price \$
Balance, June 30, 2015	234,800	1.00
Granted	800,000	0.12
Terminated	(96,800)	(0.55)
Balance, June 30, 2016	938,000	0.23

As at June 30, 2016, the following stock options were outstanding and exercisable:

Number	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life (in years)
138,000	\$0.85	September 27, 2016	0.24
800,000	\$0.12	April 8, 2021	4.78

These options entitle the holder thereof the right to acquire one common share for each option held. The weighted average remaining life of outstanding options is 4.11 years.

During the year ended June 30, 2016, the Company granted stock options to acquire 800,000 (2015: nil) common shares with a fair value of \$63,811 (2015: \$nil) or \$0.08 (2015: \$nil) per share. The options granted to directors and officers during the period vested on the grant date. The fair value of each share was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2016	2015	
Risk-free interest rate	0.69%	-	
Expected life	5 years	-	
Expected volatility	117.72%	-	
Expected dividend yield	Nil	-	
Weighted average fair value per share	\$0.08	-	

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)**Notes to the Financial Statements**

June 30, 2016

8. Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2016	2015
Loss before income taxes	\$ (626,545)	(81,097)
Computed income taxes (recovery) at statutory rate of 26% (2015 – 26 %)	\$ (162,902)	(21,085)
Net adjustments for deductible and non-deductible items	20,596	(3,927)
Change in tax rates	-	-
Change in unrecognized deferred tax assets	142,306	25,012
	\$ -	-

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

	2016	2015
Deferred tax assets:		
Non-capital losses carried forward	\$ 909,011	\$ 766,705
Exploration and evaluation assets	730,227	723,294
Share issuance costs	2,639	5,040
Total unrecognized deferred tax assets	\$ 1,641,877	\$ 1,495,039

At June 30, 2016, the Company has unrecognized tax attributes aggregating \$1,641,877 (2015: \$1,495,039) and non-capital losses of approximately \$3,495,000 (2015: \$2,948,000) available for carry forward. The Company has approximately \$2,808,000 (2015: \$2,808,000) of exploration costs which are available for deduction against future income for tax purposes.

The non-capital losses expire as follows:

2030	\$ 454,000
2031	503,000
2032	469,000
2033	485,000
2034	476,000
2035	465,000
2036	96,000
2037	547,000
Totals	\$ 3,495,000

9. Capital management

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at June 30, 2016, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)

Notes to the Financial Statements

June 30, 2016

The Company expects its current capital resources are insufficient to carry on its planned operations.

10. Financial instruments, fair value measurement and risk

a) Financial Instruments

As at June 30, 2016, the Company's financial instruments consist of cash and cash equivalents, taxes receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on "Level 1" inputs which consist of quoted prices in active markets for identical assets. As at June 30, 2015, the Company believes that the carrying values of taxes receivable and accounts payable and accrued liabilities, due to related parties, and Promissory Note approximate their fair values because of their nature and relatively short maturity dates or durations.

c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$58,955 (2015 - \$200,307) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at June 30, 2016, the Company had a working capital deficit of \$11,697 (2015: \$176,400). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at June 30, 2016, the Company has insufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Historically, the Company operated internationally. Such operations give rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company may periodically increase or decrease the amount of funds held in foreign currencies.

WHATTOZEE NETWORKS INC. (Formerly – Bama Gold Corp.)

Notes to the Financial Statements

June 30, 2016

11. Non-cash transactions

The Company has recorded no non-cash Investing and Financing Activities in the year.

12. Segmented information

The Company operates in one segment – the acquisition, exploration and development of mineral properties. As at June 30, 2016, the Company's operations and assets were in Canada.

CHEMISTREE TECHNOLOGY INC.
(Formerly – Whattozee Networks Inc.)

Financial Statements
(Expressed in Canadian Dollars)

For the years ended June 30, 2017 and 2016



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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Chemistree Technology Inc.

We have audited the accompanying financial statements of Chemistree Technology Inc., which comprise the statements of financial position as at June 30, 2017 and 2016 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended June 30, 2017 and 2016 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Chemistree Technology Inc. as at June 30, 2017 and 2016 and its financial performance and cash flows for the years ended June 30, 2017 and June 30, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
October 27, 2017

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Statement of Financial Position
(Expressed in Canadian Dollars)

		June 30,	
		2017	2016
		\$	\$
	<i>Notes</i>		
ASSETS			
Current assets			
Cash and cash equivalents		135,795	34,384
Taxes receivable		6,919	24,571
Prepays and deposits		-	4,236
Total current assets		142,714	63,191
Total assets		142,714	63,191
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		38,084	46,643
Due to related parties	7	2,445	28,245
Loan payable	6	76,036	-
Total current liabilities		116,565	74,888
Total liabilities		116,565	74,888
SHAREHOLDERS' EQUITY			
Share capital	8	10,107,349	9,613,138
Contributed surplus	8	761,418	693,365
Deficit		(10,842,618)	(10,318,200)
Total shareholders' equity		26,149	(11,697)
Total liabilities and equity		142,714	63,191

Nature and continuance of operations (Note 1)
Events after the reporting period (Note 14)

APPROVED BY THE DIRECTORS:

Signed: "**Karl Kottmeier**"

 Director

Signed: "**Douglas Ford**"

 Director

The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Statement of Comprehensive Loss
(Expressed in Canadian Dollars)

		Years ended June 30	
		2017	2016
		\$	\$
	Notes		
Expenses			
Business development	5,7	140,885	191,362
Consulting services	5,7	48,000	111,150
Exploration expenses	4	-	-
General and administrative	7	37,562	48,028
Insurance		9,450	9,450
Management fees	7	166,667	120,000
Professional fees		22,878	30,154
Share based compensation	8	68,053	63,811
Transfer agent and regulatory fees		27,922	26,004
Travel		4,222	-
		<u> </u>	<u> </u>
Loss before other items		(525,639)	(599,959)
Other income	5	430	-
Impairment	4	-	(26,667)
Interest income		58	536
Foreign exchange gain (loss)		733	(455)
		<u> </u>	<u> </u>
Net loss and comprehensive loss for the year		<u>(524,418)</u>	<u>(626,545)</u>
Loss per common share - basic and diluted		<u>(0.06)</u>	<u>(0.15)</u>
Weighted average number of common shares outstanding			
- basic and diluted		<u>9,038,816</u>	<u>4,447,952</u>

The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Notes	Years ended June 30	
		2017 \$	2016 \$
OPERATING ACTIVITIES			
Net loss for the year		(524,418)	(626,545)
Items not affecting cash			
Mineral property impairment	4	-	26,667
Share based compensation	8	68,053	63,811
		<u>(456,365)</u>	<u>(536,067)</u>
Changes in non-cash working capital items:			
Taxes receivable		17,652	(20,636)
Prepaid expenses		4,236	(4,236)
Accounts payable and accrued liabilities		(8,559)	22,736
Due to related parties		(25,800)	28,245
Cash used in operating activities		<u>(468,836)</u>	<u>(509,958)</u>
FINANCING ACTIVITIES			
Common shares issued for cash		500,000	350,000
Share issue costs		(5,789)	(2,030)
Proceeds from Loan		76,036	-
Cash provided by financing activities		<u>570,247</u>	<u>347,970</u>
Total change in cash during the year		101,411	(161,988)
Cash and cash equivalents, beginning of year		<u>34,384</u>	<u>196,372</u>
Cash and cash equivalents, end of year		<u>135,795</u>	<u>34,384</u>
Cash and cash equivalents is comprised of:			
Cash		124,295	22,884
Short-term deposits		11,500	11,500
		<u>135,795</u>	<u>34,384</u>
Cash paid for:			
Interest		-	-
Income taxes		-	-
		<u>-</u>	<u>-</u>
Cash received for:			
Interest		58	536
		<u>58</u>	<u>536</u>

Significant non-cash transactions

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The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Statement of Changes in Equity
(Expressed in Canadian Dollars)
For the years ended June 30, 2017 and 2016

Notes	Number of shares	Share capital \$	Contributed surplus \$	Deficit \$	Total \$
Balance at June 30, 2015	3,981,740	9,265,168	629,554	(9,691,655)	203,067
Loss for the year	-	-	-	(626,545)	(626,545)
Shares issued for cash (private placement)	1,166,665	350,000	-	-	350,000
Share issuance costs	-	(2,030)	-	-	(2,030)
Share based compensation	-	-	63,811	-	63,811
Balance at June 30, 2016	5,148,405	9,613,138	693,365	(10,318,200)	(11,697)
Balance at June 30, 2016	5,148,405	9,613,138	693,365	(10,318,200)	(11,697)
Loss for the year	-	-	-	(524,418)	(524,418)
Shares issued for cash (private placement)	10,000,000	500,000	-	-	500,000
Share issuance costs	-	(5,789)	-	-	(5,789)
Share based compensation	-	-	68,053	-	68,053
Balance at June 30, 2017	15,148,405	10,107,349	761,418	(10,842,618)	26,149

The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Financial Statements

June 30, 2017

1. Nature and continuance of operations

Chemistree Technology Inc. (the “Company”) was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Chemistree Technology Inc. became effective August 3, 2017. The Company’s registered office is located at Suite 810 - 609 Granville Street, Vancouver, British Columbia.

The Company is a Canadian development stage technology company involved in the business of developing a social media marketing platform. The specific business objectives for Chemistree are to continue to develop the Company’s website including its social media event marketing engine, its Influencer contact database and its core ecommerce offering. Historically, the Company was in the process of exploring and developing its mineral properties. It has not yet determined whether the properties contain ore reserves that are economically recoverable.

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at June 30, 2017, the Company had working capital of \$26,149 (2016: deficit of \$11,697) and had accumulated a deficit of \$10,842,618 (2016: \$10,318,200) since inception.

The Company’s future capital requirements will depend on many factors, including the operating costs of developing, implementing and launching its social media marketing platform. The Company’s anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company’s liabilities and future cash commitments.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Statement of Compliance

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

Effective January 27, 2017, the Company consolidated its common share capital on a 3-old for 1-new basis, whereby each three old shares are equal to one new share without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements reflect the share consolidation unless otherwise noted.

These financial statements were approved for issue by the Board of Directors on October 27, 2017.

b) Basis of Measurement

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Financial Statements

June 30, 2017

3. Significant accounting policies

a) Cash and cash equivalents

The Company considers all highly liquid instruments, generally with a maturity of three months or less at the time of issuance, to be cash equivalents.

b) Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgments

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they were granted. Estimating the fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Deferred income taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

c) Basic and diluted loss per share

The loss per share figures is calculated using the weighted average number of shares outstanding during the respective fiscal years. The calculation of loss per share figures using the Treasury Stock Method considers the potential exercise of outstanding share purchase options and warrants or other contingent issuances to the extent each option, warrant or contingent issuance was dilutive. For all years presented, diluted loss per share is equal to basic loss per share as the potential effects of options, warrants and conversions are anti-dilutive.

Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same for the years presented.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Financial Statements

June 30, 2017

3. Significant accounting policies (cont'd)

d) Financial instruments

The Company designates its financial assets, as loans and receivables, available for sale and fair value through profit and loss ("FVTPL"). Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in the active market. These assets are comprised of cash and cash equivalents and are initially measured at fair value and subsequently at amortized cost less any impairment.

Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income, unless such assets are determined to be impaired in which case the impairment loss is reclassified out of other comprehensive income and recognized in the Statement of Comprehensive Income for that period. The reversal of previously recognized impairment losses are recognized directly in equity and not reversed through the Consolidated Statements of Comprehensive Income. The Company does not have any financial assets classified as available-for-sale.

Financial assets designated as FVTPL when they are held for trading. A financial asset is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for that period. The Company does not have any financial assets classified as FVTPL.

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost. These liabilities include accounts payables and accrued liabilities.

Transaction costs on financial assets and liabilities other than those classified as FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

The Company does not have any derivative or embedded derivative instruments.

e) Exploration and evaluation assets

Exploration and evaluation expenditures relate to the initial search for a mineral deposit and the subsequent evaluation to determine the economic potential of the mineral deposit. The exploration and evaluation stage commences when the Company obtains the legal right or license to begin exploration. This stage ends when management determines there is sufficient evidence to support the probability of future mining operations of economically recoverable reserves, and requires significant judgment on the part of management.

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired.

When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

Exploration and evaluation expenditures are recognized in earnings in the period in which they are incurred.

Management reviews the carrying value of capitalized exploration and evaluation expenditures when circumstances require, and at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for properties present costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

f) Share issuance costs

All professional fees and commissions incurred directly with the issue of the Company's shares are charged directly to share capital

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Financial Statements

June 30, 2017

3. Significant accounting policies (cont'd)

g) Share-based compensation

The Company applies the fair value method of accounting for all stock option awards and equity settled restricted share units. Under this method, the Company recognizes a compensation expense for all stock options awarded to employees, based on the fair value of the options on the date of grant which is determined by using the Black-Scholes option pricing model for stock option awards, and the quoted market value of the shares for restricted share units. The fair value of the options is expensed over the vesting period of the options. No expense is recognized for awards that do not ultimately vest.

Option valuation models such as Black-Scholes, require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

h) Current and deferred income tax

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Deferred tax assets and liabilities are determined based on differences between the tax and accounting basis of assets and liabilities. Deferred tax assets or liabilities are calculated using the substantially enacted tax rates for the period in which the differences are expected to be realized or settled. Deferred tax assets are recognized to the extent that they are considered recoverable.

i) Flow-through Shares

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from qualifying expenditures that the company made with the proceeds. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" are recorded as a deferred credit. When expenditures are renounced, a deferred tax liability is recognized and the deferred credit is reversed. The net amount is recognized as a deferred income tax recovery.

j) Provisions

When the Company has a present legal or constructive obligation as a result of a past event, a provision is recognized only when the obligation is estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as finance expense.

k) Impairment of non-financial assets

The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management and are measured at the difference between the fair value of the long-lived asset and its carrying amount.

l) Site restoration obligation

Provisions for site restoration obligations are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over future production from the property to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates, and operating lives. Changes to estimated future costs are recognized in the statement of financial position by adjusting the site restoration asset and liability.

m) Environmental risk

The Company is engaged in resource exploration and development and is accordingly exposed to environmental risks associated with such activity. The properties the Company holds interest in are currently in the initial exploration stages and it has not determined whether significant site reclamation costs will be required. The Company would only record liabilities for site reclamation when reasonably determinable and when such costs can be reliably quantified. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)**Notes to the Financial Statements**

June 30, 2017

3. Significant accounting policies (cont'd)

n) Agent warrants and warrants

Warrants issued to agents in connection with a financing are recorded at fair value and charged to share issue costs associated with the offering with an offsetting credit to contributed surplus in shareholders' equity.

Warrants included in units offered to subscribers in connection with financings are valued using the residual value method whereby proceeds are first allocated to the fair value of the shares and the excess if any, allocated to the warrants.

o) Future accounting changes

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New Accounting Standards

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

4. Mineral properties

	Turner Lake Property	Total
	\$	\$
June 30, 2016		
Mineral properties, beginning of the year	nil	nil
Impairment	nil	nil
Mineral properties, end of the year	-	-
June 30, 2015		
Mineral properties, beginning of the year	26,667	26,667
Impairment	(26,667)	(26,667)
Mineral properties, end of the year	-	-

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Financial Statements

June 30, 2017

4. Mineral properties (cont'd)

Turner Lake Property (Nunavut, Canada)

Pursuant to an Option Agreement dated November 8, 2007, effective March 19, 2009, the Company exercised its option to acquire a 75% interest in the Turner Lake Gold property from Trade Winds Ventures Inc. ("Trade Winds"). The property is comprised of four claims: Jam 1, Jam 2, Jam 3 and Jam 4.

During the year ended June 30, 2010, the Company executed and completed an agreement with joint venture partner Trade Winds; to acquire the remaining 25% interest in the Turner Lake property. As consideration for the purchase, the Company issued 34,000 common shares of the Company valued at \$68,000 and granted a 1% Net Smelter Royalty to Trade Winds. The Company can acquire Trade Winds' NSR for \$1.25 million. One of the four claims [Jam 1] comprising the Turner Lake property is subject to an additional 1% NSR held by a third party.

Effective May 4, 2015, the Company entered into a letter agreement with Pacific Cascade Minerals Inc. ("PCV"), whereby PCV could acquire a 60-per-cent interest in the Turner Lake project. PCV could exercise the option once it paid \$20,000 to Whattozee in three payments prior to September 30, 2015, and once it had incurred a total of \$20,000 (U.S.) in exploration and development expenditures prior to May 1, 2016. During the year, the agreement with PCV was terminated due to PCV's inability to make the required payments to the Company.

During the prior year, the Company determined that due to the level of inactivity within the property, impairment of the property should be recognized. As a result, the Company recorded a \$26,667 property impairment expense thus reducing the carrying value of the Turner Lake Property to \$nil to more accurately reflect the realizable value of the property.

During the year ended June 30, 2017 \$nil (2016: \$nil) was expended on Exploration and Development expenditures

5. Diversification strategy

In an effort to diversify, commencing in the prior year, the Company engaged the services of an external consultant to review projects in the technology space and to potentially develop technology-based concepts in-house. The Company identified an underserved niche; and developed the concept internally under the project name "Whattozee". Whattozee synthesizes two online businesses on one platform; event planning and social media marketing. This organically developed concept is still in its formative stages, and in the current year was refocused on traditional marketing, branding, and social media marketing.

During the year ended June 30, 2017 the Company launched an invitation-only test version of its social media marketing platform. Some limited revenues were recorded during the period of the test. The Company has continued to fine-tune the technology in preparation for a commercial launch.

The Company will continue to identify other avenues for growth for social media marketing services, as well as brand marketing, product marketing, and more general services like financing and corporate consulting, and is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)**Notes to the Financial Statements**

June 30, 2017

6. Loans Payable

As at June 30, 2017, the Company has \$76,036 (USD \$58,750) (2016 - \$nil) in loans owing to an arm's length third party. The loan is unsecured, bears interest at prime + 0.5% and is payable on demand. See Note 14 (b).

7. Related party transactions and balances

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the years ended June 30, 2017 and 2016, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Pacific Equity Management Corp. ("PEMC")	Management fees for services provided by CEO, CFO, VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff.
Contact Financial Corp. ("CFC")	Rent and shared office expenses.
1044825 BC Ltd. ("1BL")	Consulting fees for services provided by former CTO

Due to related parties include the following amounts:

	June 30, 2017	June 30, 2016
	\$	\$
PEMC	695	28,245
CFC	1,750	nil
	2,445	28,245

For the year ended June 30, 2017, the Company paid or accrued \$35,000 (2016: \$45,000) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer of the Company is a significant shareholder. Pursuant to an amended rental agreement, the Company is required to pay \$2,500 per month to PEMC, thus terminating the agreement with CFC. The amended agreement with PEMC can be terminated by either party with six months' notice.

For the year ended June 30, 2017, the Company paid or accrued a total of \$166,667 (2016: \$120,000) to PEMC, a company controlled by officers of the Company for management services. Pursuant to an amended Management Services Agreement, the Company is required to pay \$20,000 per month, and the agreement can be terminated by either party with six months' notice.

The aggregate values of transactions relating to key management personnel were as follows:

	June 30, 2017	June 30, 2016
	\$	\$
CEO fees	41,667	18,150
CFO fees	41,667	18,150
Other management fees	83,333	36,300
Rent	35,000	45,000

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)**Notes to the Financial Statements**

June 30, 2017

8. Share capital and contributed surplus

a) Authorized:

Unlimited common shares without par value

Effective January 27, 2017, the Company consolidated its common share capital on a 3-old for 1-new basis, whereby each three old shares are equal to one new share without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements reflect the share consolidation unless otherwise noted.

b) Issued common shares: Refer to Statement of Changes in Equity

c) Private placements

During the year, in two tranches – the Company closed the non-brokered private placement announced November 18, 2016. It issued 10,000,000 common shares at \$0.05 cents per share, for proceeds of \$500,000. The proceeds from both private placements were added to the Company's working capital.

Effective April 8, 2016, the Company closed the final tranche of the private placement announced October 22, 2015. It issued 483,333 common shares at \$0.30 cents per share, for proceeds of \$145,000. Effective December 22, 2015, the Company issued 683,333 common shares at \$0.30 cents per share, for proceeds of \$205,000 in the first tranche closing of a non-brokered private placement. The proceeds from both private placements were added to the Company's working capital.

d) Options:

During the year ended June 30, 2009, the Company adopted a Stock Option Plan (the "Plan"). The purpose of the Plan is to give to eligible persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time to time.

	Options	Weighted Average Exercise Price \$
Balance, June 30, 2016	312,666	0.69
Expired	(46,000)	(2.55)
Cancelled	(216,666)	(0.36)
Granted	900,000	0.10
Balance, June 30, 2017	950,000	0.13

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

Number	Exercise Price	Expiry Date	Remaining Contractual Life (in years)
50,000	\$0.36	April 8, 2021	3.78
900,000	\$0.10	June 7, 2022	4.94

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)**Notes to the Financial Statements**

June 30, 2017

8. Share capital and contributed surplus (cont'd)

d) Options (cont'd):

These options entitle the holder thereof the right to acquire one common share for each option held. The weighted average remaining life of outstanding options is 4.88 years.

During the year ended June 30, 2017, the Company granted stock options to acquire 900,000 (2016: 266,667) common shares with a fair value of \$68,053 (2016: \$63,811) or \$0.076 (2016: \$0.239) per share. The options granted to directors and officers during the period vested on the grant date. The fair value of each share was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2017	2016
Risk-free interest rate	0.93%	0.69%
Expected life	5 years	5 years
Expected volatility	176.34%	117.72%
Expected dividend yield	Nil	Nil
Weighted average fair value per share	\$0.08	\$0.24

9. Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss before income taxes	\$ (524,419)	(626,545)
Computed income taxes (recovery) at statutory rate of 26% (2015 – 26 %)	\$ (136,349)	(162,902)
Net adjustments for deductible and non-deductible items	16,343	20,596
Change in unrecognized deferred tax assets	120,006	142,306
	\$ -	-

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

	2017	2016
Deferred tax assets:		
Non-capital losses carried forward	\$ 1,029,017	\$ 909,011
Exploration and evaluation assets	730,227	730,227
Share issuance costs	2,793	2,639
Total unrecognized deferred tax assets	\$ 1,762,037	\$ 1,641,877

At June 30, 2017, the Company has unrecognized tax attributes aggregating \$1,762,037 (2016: \$1,641,877) and non-capital losses of approximately \$3,957,000 (2016: \$3,495,000) available for carry forward. The Company has approximately \$2,808,000 (2016: \$2,808,000) of exploration costs which are available for deduction against future income for tax purposes.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Financial Statements

June 30, 2017

9. Income taxes (cont'd)

The non-capital losses expire as follows:

2030	\$	454,000
2031		503,000
2032		469,000
2033		485,000
2034		476,000
2035		465,000
2036		96,000
2037		547,000
2038		462,000
Totals	\$	3,957,000

10. Capital management

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at June 30, 2017, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources are insufficient to carry on its planned operations.

11. Financial instruments, fair value measurement and risk

a) Financial Instruments

As at June 30, 2017, the Company's financial instruments consist of cash and cash equivalents, taxes receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Financial Statements

June 30, 2017

11. Financial instruments, fair value measurement and risk (cont'd)

b) Fair Value Measurements (cont'd)

The fair value of cash and cash equivalents are determined based on “Level 1” inputs which consist of quoted prices in active markets for identical assets. As at June 30, 2017, the Company believes that the carrying values of taxes receivable and accounts payable and accrued liabilities, due to related parties, and Promissory Note approximate their fair values because of their nature and relatively short maturity dates or durations.

c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$142,714 (2016 - \$58,955) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at June 30, 2017, the Company had working capital of \$26,149 (2016: deficit of \$11,697). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at June 30, 2017, the Company has sufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Historically, the Company operated internationally. Such operations give rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company may periodically increase or decrease the amount of funds held in foreign currencies.

12. Non-cash transactions

The Company has recorded no non-cash Investing and Financing Activities in the year.

13. Segmented information

The Company operates in one segment – as a development stage technology company involved in the business of developing a social media marketing platform. As a legacy asset, the Company maintains an interest in a mineral property. As at June 30, 2017, all the Company's operations and assets were in Canada.

14. Events after the reporting period

- a) The Company arranged a non-brokered private placement financing to raise up to \$2-million for general corporate working capital purposes. The offering will consist of up to eight million common shares at a price of 25 cents per share. Finders' fees may be payable in connection with the private placement. On October 12, 2017, the Company closed the first tranche of the private placement issuing 5,146,000 common shares at \$0.25 for gross proceeds of \$1,286,500.
- b) The Company arranged a term loan credit facility for up to \$800,000 (U.S.) for 10 years with at an interest rate of prime plus 0.5 per cent.

CHEMISTREE TECHNOLOGY INC.
(Formerly – Whattozee Networks Inc.)

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

For the nine months ended March 31, 2018 and 2017

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Condensed Interim Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

		March 31, 2018 \$	June 30, 2017 \$
	<i>Notes</i>		
ASSETS			
Current assets			
Cash and cash equivalents		1,552,018	135,795
Accounts receivable		7,220	-
Taxes receivable		6,160	6,919
Prepays and deposits		15,311	-
Total current assets		1,580,709	142,714
Equipment		3,145	-
Total assets		1,583,854	142,714
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		61,497	38,084
Due to related parties	6	2,777	2,445
Interest payable		10,545	-
Loan payable	5	-	76,036
Total current liabilities		74,819	116,565
Notes Payable	5	411,959	-
Total liabilities		486,778	116,565
SHAREHOLDERS' EQUITY			
Share capital	7	11,648,292	10,107,349
Contributed surplus		761,418	761,418
Deficit		(11,312,634)	(10,842,618)
Total shareholders' equity		1,097,076	26,149
Total liabilities and equity		1,583,854	142,714

Nature and continuance of operations (Note 1)

Events after the reporting period (Note 12)

APPROVED BY THE DIRECTORS:

Signed: "**Karl Kottmeier**"
 Director

Signed: "**Douglas Ford**"
 Director

The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Condensed Interim Consolidated Statement of Comprehensive Loss
(Expressed in Canadian Dollars)

	<i>Notes</i>	Three months ended		Nine months ended	
		March 31,		March 31,	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue		5,309	-	53,571	-
Expenses					
Business development	4,6	41,494	1,584	125,365	138,626
Consulting services	4,6	-	8,000	-	48,000
Equipment		-	-	32,998	-
General and administrative	6	30,502	15,241	70,296	45,560
Insurance		3,809	2,363	12,058	7,088
Interest		3,953	-	10,545	-
Management fees	6	60,000	50,000	180,000	110,000
Professional fees		19,025	6,542	67,054	16,038
Transfer agent and regulatory fees		6,811	4,154	25,826	25,780
Travel		2,551	-	10,966	-
Loss before other items		(162,836)	(87,884)	(481,537)	(391,092)
Other income	4	-	-	-	431
Foreign exchange gain (loss)		16,109	-	11,465	-
Interest income		56	58	56	58
Net loss and comprehensive loss for the period		(146,671)	(87,826)	(470,016)	(390,603)
Loss per common share - basic and diluted		(0.01)	(0.02)	(0.03)	(0.08)
Weighted average number of common shares outstanding					
- basic and diluted		21,339,205	10,815,072	18,775,877	7,009,719

The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Condensed Interim Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	Nine months ended	
	March 31,	
	2018	2017
	\$	\$
<i>Notes</i>	<hr/>	<hr/>
OPERATING ACTIVITIES		
Net loss for the period	(470,016)	(390,603)
Changes in non-cash working capital items:		
Receivables and prepaids	(21,772)	22,946
Accounts payable and accrued liabilities	(41,746)	(25,064)
Cash used in operating activities	<u>(533,534)</u>	<u>(392,721)</u>
INVESTING ACTIVITIES		
Equipment	(3,145)	-
Cash used in investing activities	<u>(3,145)</u>	<u>-</u>
FINANCING ACTIVITIES		
Shares subscribed for cash (net)	1,540,943	494,211
Proceeds from Promissory Notes issued	411,959	-
Cash provided by financing activities	<u>1,952,902</u>	<u>494,211</u>
Total change in cash during the period	1,416,223	101,490
Cash and cash equivalents, beginning of period	<u>135,795</u>	<u>34,384</u>
Cash and cash equivalents, end of period	<u>1,552,018</u>	<u>135,874</u>
Cash and cash equivalents is comprised of:		
Cash	1,547,018	124,374
Short-term deposits	5,000	11,500
	<u>1,552,018</u>	<u>135,874</u>
Cash paid for:		
Interest	-	-
Income taxes	-	-
	<u>-</u>	<u>-</u>
Cash received for:		
Interest	56	58
	<u>56</u>	<u>58</u>
Significant non-cash transactions	10	

The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)
Condensed Interim Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)
For the nine months ended March 31, 2018 and 2017

Notes	Number of shares	Share capital \$	Contributed surplus \$	Deficit \$	Total \$
Balance at June 30, 2016	5,148,405	9,613,138	693,365	(10,318,200)	(11,697)
Loss for the period	-	-	-	(390,603)	(390,603)
Private placement	10,000,000	500,000	-	-	500,000
Share issuance costs	-	(5,789)	-	-	(5,789)
Balance at March 31, 2017	15,148,405	10,107,349	693,365	(10,708,803)	91,911
Balance at June 30, 2017	15,148,405	10,107,349	761,418	(10,842,618)	26,149
Loss for the period	-	-	-	(470,016)	(470,016)
Private placement	6,190,800	1,547,700	-	-	1,547,700
Share issuance costs	-	(6,757)	-	-	(6,757)
Balance at March 31, 2018	21,339,205	11,648,292	761,418	(11,312,634)	1,097,076

The accompanying notes form an integral part of these financial statements

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2018

1. Nature and continuance of operations

Chemistree Technology Inc. (the “Company”) was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Chemistree Technology Inc. became effective August 3, 2017. The Company’s registered office is located at Suite 810 - 609 Granville Street, Vancouver, British Columbia.

The Company is a Canadian development stage technology company focusing its efforts on social media, branding, licensing and marketing technology. In addition to marketing events, brands and any other activities in the cannabis industry, the Company will continue to identify other avenues for growth for social media marketing services, as well as brand marketing, product marketing, and more general services such as financing and corporate consulting. Initially, the Pacific Northwest is the company’s main target geography, but this is expected to expand from British Columbia and Washington into Oregon and eventually California. Historically, the Company was in the process of exploring and developing its mineral properties. It has not yet determined whether the properties contain ore reserves that are economically recoverable.

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any significant revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at March 31, 2018, the Company had working capital of \$1,505,890 (June 30, 2017 year end: \$26,149) and had accumulated a deficit of \$11,312,634 (June 30, 2017 year end: \$10,842,618) since inception.

The Company’s future capital requirements will depend on many factors, including the operating costs of developing, implementing and launching its social media marketing platform. The Company’s anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company’s liabilities and future cash commitments.

These Condensed Interim Consolidated Financial Statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These Condensed Interim Consolidated Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Statement of Compliance

These unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). The financial statements follow the same accounting policies and methods of application as our most recent annual financial statements and do not include all of the information required for full annual financial statements. Accordingly, they should be read in conjunction with our IFRS financial statements for the fiscal year ended June 30, 2017. The accounting policies applied in these unaudited Condensed Interim Consolidated Financial Statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as of May 14, 2018, the date the Board of Directors approved these unaudited Condensed Interim Consolidated Financial Statements and they are consistent with those disclosed in the annual financial statements.

Effective January 27, 2017, the Company consolidated its common share capital on a 3-old for 1-new basis, whereby each three old shares are equal to one new share without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements reflect the share consolidation unless otherwise noted.

These financial statements were approved for issue by the Board of Directors on May 14, 2018.

b) Basis of Measurement

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2018

2. Basis of presentation (cont'd)

c) Principles of consolidation

The consolidated financial statements include the financial statements of the Company and the following subsidiary:

Chemistree Washington Ltd (100% owned) Inactive company

All intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

3. Significant accounting policies

a) Cash and cash equivalents

The Company considers all highly liquid instruments, generally with a maturity of three months or less at the time of issuance, to be cash equivalents.

b) Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Estimates

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they were granted. Estimating the fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

c) Share-based compensation

The Company applies the fair value method of accounting for all stock option awards and equity settled restricted share units. Under this method, the Company recognizes a compensation expense for all stock options awarded to employees, based on the fair value of the options on the date of grant which is determined by using the Black-Scholes option pricing model for stock option awards, and the quoted market value of the shares for restricted share units. The fair value of the options is expensed over the vesting period of the options. No expense is recognized for awards that do not ultimately vest.

Option valuation models such as Black-Scholes, require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

d) Future accounting changes

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2018

3. Significant accounting policies (cont'd)

d) Future accounting changes (cont'd)

New Accounting Standards

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- IFRS 16 "Leases": replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now 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, however this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.
- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

4. Diversification strategy

Commencing in the prior year, the Company engaged the services of an external consultant to review projects in the technology space and to potentially develop technology-based concepts in-house. The Company identified an underserved niche; and developed the concept internally under the project name "Whattozee". Whattozee synthesizes two online businesses on one platform; event planning and social media marketing. This organically developed concept is still in its formative stages, and in the current year was refocused on traditional marketing, branding, and social media marketing in the cannabis industry.

The Company will continue to identify other avenues for growth for social media marketing services, as well as brand marketing, product marketing, and more general services like financing and corporate consulting, and is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

5. Notes payable

Effective July 17, 2017, the Company issued Promissory Notes to evidence borrowings. The notes mature on July 17, 2027, and bear interest at the Canadian prime bank rate plus 0.5 percent. As at March 31, 2018, the principal amount of the notes issued was \$338,725 (2017: \$nil) and \$73,234 (USD \$58,750) (2017 - \$nil).

As at March 31, 2018, the Company has \$nil (June 30, 2017 year end - \$76,036 (USD \$58,750)) in loans owing to an arm's length third party. The loan was effectively replaced with a promissory note.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)**Notes to the Condensed Interim Consolidated Financial Statements**

March 31, 2018

6. Related party transactions and balances

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the periods ended March 31, 2018 and 2017, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Pacific Equity Management Corp. ("PEMC")	Management fees for services provided by CEO, CFO, VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff; includes rent and shared office expenses. Under a separate agreement rent and shared office expenses commencing July 1, 2017.
Contact Financial Corp. ("CFC")	Rent and shared office expenses as per original rental agreement terminated June 30, 2017.
Karl Kottmeier ("Kottmeier")	Expenditures incurred by a Director to be reimbursed
1044825 BC Ltd. ("1BL")	Consulting fees for services provided by former CTO
Justin Chorbajian ("Chorbajian")	Note payable issued for funds advanced by a Director

Due to related parties include the following amounts:

	March 31, 2018	June 30, 2017
	\$	\$
PEMC	695	695
CFC	1,750	1,750
Kottmeier	332	-
	2,777	2,445

For the period ended March 31, 2018, the Company paid a total of \$180,000 (2017: \$110,000) to PEMC, a company controlled by two officers of the Company for management services. Pursuant to an amended Management Services Agreement, the Company is required to pay \$20,000 per month, and the agreement can be terminated by either party with six months' notice.

For the period ended March 31, 2018, the Company paid \$22,500 (2017: \$nil) to PEMC, a company controlled by two officers of the Company for rent and office services. Pursuant to an amended rental agreement, the Company is required to pay \$2,500 per month to PEMC. The amended agreement with PEMC can be terminated by either party with six months' notice.

For the period ended March 31, 2018, the Company paid or accrued \$nil (2017: \$45,000) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer of the Company is a significant shareholder. Pursuant to an amended rental agreement, the Company was required to pay \$2,500 per month to PEMC, thus terminating the agreement with CFC.

For the period ended March 31, 2018, the Company paid a total of \$nil (2017: \$48,000) to 1BL, a company controlled by the former CTO for consulting services.

Included in the Note Payable financing, as disclosed in Note 5, is \$78,431 (2017: \$nil) the amount as subscribed by Chorbajian.

The aggregate values of transactions relating to key management personnel were as follows:

	March 31, 2018	March 31, 2017
CEO fees	\$ 45,000	\$ 27,500
CFO fees	45,000	27,500
Other management fees	90,000	-
Rent	22,500	45,000
Consulting	-	48,000

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)**Notes to the Condensed Interim Consolidated Financial Statements**

March 31, 2018

7. Share capital and contributed surplus

a) Authorized:

Unlimited common shares without par value

Effective January 27, 2017, the Company consolidated its common share capital on a 3-old for 1-new basis, whereby each three old shares are equal to one new share without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements reflect the share consolidation unless otherwise noted.

b) Issued common shares: Refer to Statement of Changes in Equity

c) Private placements

During the period ended March 31, 2018, in two tranches - the Company closed the non-brokered private placement announced August 3, 2017. It issued 6,190,800 common shares at \$0.25 per share, for gross proceeds of \$1,547,700. The proceeds were added to the Company's working capital.

In the 2017 period, in two tranches – the Company closed the non-brokered private placement announced November 18, 2016. It issued 10,000,000 common shares at \$0.05 cents per share, for proceeds of \$500,000. The proceeds from both private placements were added to the Company's working capital.

d) Options:

During the year ended June 30, 2009, the Company adopted a Stock Option Plan (the "Plan"). The purpose of the Plan is to give to eligible persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time to time.

	Options	Weighted Average Exercise Price \$
Balance, June 30, 2017	950,000	0.11
Expired	nil	-
Balance, March 31, 2018	950,000	0.11

As at March 31, 2018, the following stock options were outstanding and exercisable:

Number	Exercise Price	Expiry Date	Remaining Contractual Life (in years)
50,000	\$0.36	April 8, 2021	3.02
900,000	\$0.10	June 7, 2022	4.19

These options entitle the holder thereof the right to acquire one common share for each option held. The weighted average remaining life of outstanding options is 4.13 years.

For the period ended March 31, 2018, the Company did not grant any stock options (2017: nil).

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2018

8. Capital management

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at March 31, 2018, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources are sufficient to carry on its planned operations.

9. Financial instruments, fair value measurement and risk

a) Financial Instruments

As at March 31, 2018, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, taxes receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on "Level 1" inputs which consist of quoted prices in active markets for identical assets. As at March 31, 2018, the Company believes that the carrying values of accounts receivable, taxes receivable and accounts payable and accrued liabilities, due to related parties, and Promissory Note approximate their fair values because of their nature and relatively short maturity dates or durations.

CHEMISTREE TECHNOLOGY INC. (Formerly – Whattozee Networks Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2018

9. Financial instruments, fair value measurement and risk (cont'd)

c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$1,558,178 (2017 - \$140,160) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at March 31, 2018, the Company had working capital of \$1,505,890 (2017 year-end: \$26,149). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at March 31, 2018, the Company has sufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Historically, the Company operated internationally. Such operations give rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company may periodically increase or decrease the amount of funds held in foreign currencies.

10. Non-cash transactions

The Company has recorded no non-cash Investing and Financing Activities in the period.

11. Segmented information

The Company operates in one segment – as a development stage technology company involved in the business of developing a social media marketing platform. As a legacy asset, the Company maintains an interest in a mineral property. As at March 31, 2018, all the Company's operations and assets were in Canada.

12. Events after the reporting period

- a) The Company has entered into a letter of intent with arm's-length parties to acquire a suite of Washington-based assets used in cannabis cultivation, production, distribution and branding. The acquisition is subject to the execution of definitive agreements, completion of the required financing and all shareholder and regulatory approvals, including approval of the Canadian Securities Exchange (the "CSE"). Consideration for the asset acquisition will be US\$1,000,000 payable in cash.
- b) On May 11, 2018, the Company announced a private placement financing to raise up to \$2.1-million. The offering will be non-brokered and consist of up to six million units at a price of \$0.35 per unit. Each unit will be comprised of one common share and one common share purchase warrant (a "Warrant"); each Warrant will entitle the holder to acquire one additional common share for \$0.50 for a period of 24-months after closing of the private placement. The Warrants are subject to an acceleration provision whereby if the closing market price of the Common Shares of the Company on the CSE is greater than \$0.60 per Common Share for a period of ten (10) consecutive trading days (a "Trigger Event"), then the Company may deliver a notice (the "Acceleration Notice") to the holders of Warrants notifying the holders that the Warrants must be exercised within thirty (30) calendar days from the date of the Acceleration Notice, otherwise the Warrants will expire at 4:00 p.m. (Vancouver time) on the thirtieth (30th) calendar day after the date of the Acceleration Notice. The net proceeds of the private placement will be added to general working capital, some of which are expected to be deployed to close the Washington asset acquisition.

APPENDIX B

**Management's Discussion &
Analysis – June 30, 2017**

THE ATTACHED AUDITED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE**Management Discussion and Analysis as of October 27, 2017**

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the years ended June 30, 2017 and 2016; together with the corresponding notes of Chemistree Technology Inc. (formerly, Whattozee Networks Inc.) (the "Company"). This MD&A covers the year ended June 30, 2017 and the subsequent period up to the date of filing.

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

All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com

Outlook

Chemistree is a new company, focusing its efforts on social media, branding, licensing and marketing technology. In addition to marketing events, brands and any other activities in the cannabis industry, the company will continue to identify other avenues for growth for social media marketing services, as well as brand marketing, product marketing, and more general services like financing and corporate consulting. The Company believes the cannabis industry offers a tremendous opportunity for growth. The reason for this is simply that marketing of cannabis companies, their products as well as information about the industry itself is in its infancy. Initially, the Pacific Northwest is the Company's main target geography, but this is expected to expand from British Columbia and Washington into Oregon, and eventually California.

During the year ended June 30, 2017, the Company continued to develop its diversification strategy. Following the February 2016 unveiling of the beta version of Whattozee.com, the Company fine-tuned the technology in preparation for a commercial launch. The recommendations contained in a technology audit completed in early October have allowed the Company to refocus its business plan more as a service provider and less as a product developer. The Company is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

Strategic growth opportunities exist where the Company can add value to clients' existing initiatives in social media engagement, branding, and marketing. These opportunities may require long lead-times and extensive due diligence to understand the clients' needs and capacities. The Company is developing a revenue strategy as to how it can derive income from this consulting and business development effort.

Subsequent to year-end, the Company entered into a strategic relationship with LG Digital Inc., a Vancouver-based digital marketing and production company. LG has provided expert digital marketing, website, video production and graphic design work to its international client base since 2013. LG is also the owner and producer of the highly successful and influential Growing Exposed series of documentary, educational and biographical videos focused exclusively on the cannabis industry. Since its first segment released in early 2016, Growing Exposed has now produced eight videos in its series, built an on-line viewing audience in tens of thousands and established an exclusive on-line distribution relationship with High Times, the pre-eminent international cannabis periodical for over 40 years. This alliance was struck so that the Company could bring its social media marketing technology to LG's client base in specific and to the cannabis industry in general.

Additionally, the Company has been engaged by Sugarleaf Farm LLC (Sugarleaf Cannabis) of Sedro-Woolley, Wash., to assist with social media marketing and brand development. As a condition of the contract, Chemistree will establish and staff a corporate office and legal presence in Washington State. Chemistree management is under way with this initiative and sees this as a tremendous investment in the company's future growth.

Corporate Overview

Chemistree Technology Inc. (formerly, Whattozee Networks Inc.) (the "Company") was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Chemistree Technology Inc became effective August 3, 2017. The Company's registered office is located at Suite 1450 - 701 West Georgia Street, Vancouver, British Columbia.

Effective January 25, 2017, the Issuer's common shares were consolidated on a one-new for three-old basis, resulting in 5,148,405 common shares being issued and outstanding. In conjunction with the share consolidation, the CSE recognized the Issuer's name change and the Fundamental Change of the Issuer's business from being a mining issuer to being a technology issuer. During the year, in two tranches – the Company closed the non-brokered private placement announced November 18, 2016. It issued 10,000,000 common shares at \$0.05 cents per share, for proceeds of \$500,000. The proceeds from both private placements were added to the Company's working capital.

The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

Overall Performance

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at June 30, 2017, the Company had working capital \$26,149 (2016: deficit of \$11,697) and had accumulated a deficit of \$10,842,618 (2016: \$10,318,200) since inception.

Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company's activities would reveal this. And there is nothing to suggest that these trends will change.

Selected Financial Data [Annual]

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company.

		Year ended		
		June 30, 2017	June 30, 2016	June 30, 2015
Operating Revenue	\$	0	0	0
Net income (loss)	\$	(524,418)	(626,545)	(81,097)
Income (Loss) per share	\$	(0.06)	(0.05)	(0.01)
Share capital	\$	10,107,349	9,613,138	9,265,168
Common shares issued		15,148,405	5,148,405	3,981,740
Weighted average shares outstanding		9,038,816	4,447,952	2,631,969
Total Assets	\$	142,714	63,191	226,974
Net Assets (liabilities)	\$	24,149	(11,697)	203,067
Cash Dividends Declared per Common Shares	\$	0	0	0

Operations Overview

Diversification strategy

During the year ended June 30, 2017, the Company continued to develop its diversification strategy. Following the February 2016 unveiling of the beta version of Whattozee.com, the Company fine-tuned the technology in preparation for a commercial launch. The recommendations contained in a technology audit completed in early October have allowed the Company to refocus its business plan more as a service provider and less as a product developer. The Company is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

During the year-ended June 30, 2017, all of the Company's \$525,639 incurred expenses related to the pursuit of its technology development, compared to approximately \$302,000 in 2016.

Turner Lake Property

During the prior year, the Company determined that due to the level of inactivity within the property, impairment of the property should be recognized. As a result, the Company recorded a \$26,667 property impairment expense thus reducing the carrying value of the Turner Lake Property to \$nil to more accurately reflect the realizable value of the property.

Results of Operations

Fiscal year ended June 30, 2017

During the year, the Company incurred operating expenses of \$525,639 [2016: \$599,959]. All of the Company's expenditures related to developing its technology offerings and to general corporate operations. With the refocusing of the Company as a service provider, business development expense was reduced to \$140,885 from 191,362 in 2016; and consulting expense of \$48,000 in 2017, was a significant reduction to the \$111,150 incurred in the prior year. General and administrative expense of \$37,562 was reduced 22% from the \$48,028 incurred in 2016; professional fees were reduced by a similar percentage to \$22,878 in 2017 compared to \$30,154 in 2016 – the reductions are indicative of a normalization of the administrative burden in 2017 after the transition from the TSX Venture Exchange to the Canadian Securities Exchange in 2016. Management fees were increased to \$166,667 from the 2016 level of \$120,000 reflecting the availability of increased working capital and the ability to pay fees more in keeping with existing management services agreement. The Company recorded non-cash expenses related to the write-down of the Turner Lake Property of \$nil [2016: \$26,667]; and \$68,053 [2016: \$63,811] for share-based compensation related to the grant of stock options during the year.

Fiscal year ended June 30, 2016

During the year, the Company incurred operating expenses of \$599,959 [2015: \$453,263]. The bulk of the expenses in the current period were related to the Company's diversification strategy by the addition of \$191,362 in business development expense [2015: \$nil] and consulting expense of \$111,150 [2015: \$nil]. General and administrative expense of \$48,028 increased 50% compared to the \$31,873 incurred in 2015, indicative of the administrative burden to transition from the TSX Venture Exchange to the Canadian Securities Exchange and the increased overheads associate with a larger team. Management fees were reduced by 67% to \$120,000 compared to \$360,000 in 2015. Professional fees increased nominally to \$30,154 from \$28,933 in 2015 as a reflection of the additional, incurred expenses in 2016 related to securing a listing on the Canadian Securities Exchange; transfer agent and regulatory fees were consistent in the period. The Company recorded interest income of \$536 compared with the \$2,167 recorded in 2015, indicating the reduced amount of interest bearing deposits during the current period. The Company recorded non-cash expenses related to the write-down of the Turner Lake Property of \$26,667; and \$63,811 for share-based compensation related to the grant of stock options during the year.

Fluctuations in Results

The results were consistent period to period.

Liquidity and Capital Resources

As at June 30, 2017, the Company had working capital \$26,149 (2016: deficit of \$11,697) and had accumulated a deficit of \$10,842,618 (2016: \$10,318,200) since inception.

As at June 30, 2017, the Company had cash and equivalents on hand of \$135,795.

During the year, in two tranches – the Company closed the non-brokered private placement announced November 18, 2016. It issued 10,000,000 common shares at \$0.05 cents per share, for proceeds of \$500,000. The proceeds from both private placements were added to the Company's working capital.

The Company expects its current capital resources are insufficient to carry on its planned operations.

Effective April 8, 2016, the Company closed the final tranche of the private placement announced October 22, 2015. It issued 483,333 common shares at \$0.30 cents per share, for proceeds of \$145,000. Effective December 22, 2015, the Company issued 683,333 common shares at \$0.30 cents per share, for proceeds of \$205,000 in the first tranche closing of a non-brokered private placement. The proceeds from both private placements were added to the Company's working capital.

Fourth Quarter

Other than recording a non-cash impairment charge against the Turner Lake property of \$26,667 in the prior year to affect the write down of the Turner Lake Property, there were no fourth quarter events or items that affected the Company's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments. The Company's operations are generally not seasonal.

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended							
		6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016	12/31/2015	9/30/2015
Net Revenues	\$	-	-	-	-	-	-	-	-
Comprehensive (loss) gain	\$	(133,815)	(87,826)	(143,996)	(158,781)	(275,227)	(140,807)	(134,218)	(76,293)
Earnings (loss) per share	\$	(0.00)	(0.00)	(0.03)	(0.03)	(0.05)	(0.03)	(0.03)	(0.02)
Share capital	\$	10,107,349	10,107,349	9,613,138	9,613,138	9,613,138	9,470,068	9,470,068	9,265,168
Common shares issued		15,148,405	15,148,405	5,148,405	5,148,405	5,148,405	4,665,074	4,665,074	3,981,740
Weighted average shares outstanding		15,148,405	10,815,072	5,148,405	5,148,405	5,105,916	4,665,078	4,048,588	3,981,740
Total Assets	\$	142,714	141,735	38,896	36,087	63,191	119,204	263,062	181,899
Net Assets (liabilities)	\$	24,149	91,911	(314,474)	(170,478)	(11,697)	56,743	197,456	126,774
Dividends Declared per Share	\$	0	0	0	0	0	0	0	0

Additional Disclosure for Issuers Without Significant Revenue

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has no significant revenues.

The Company has limited funds. There is no assurance that the Company can access additional capital. The future requirements for additional capital will require issuance of common shares resulting in a dilution of the share capital issued previously.

Recent changes to disclosure requirements for “Issuers with U.S. Marijuana Related Activities”. The marijuana industry has accelerated in recent years as a number of jurisdictions, including Canada and certain U.S. states, continue to explore liberalization measures around marijuana law. While most jurisdictions have a uniform national framework for marijuana regulation, in the U.S., there is a conflict between state and federal law related to marijuana with certain U.S. states permitting its use and sale within a regulatory framework notwithstanding that marijuana continues to be listed as a controlled substance under U.S. federal law. As such, marijuana related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under U.S. federal law. The U.S. Department of Justice issued guidance in 2013 indicating that it will focus on certain enforcement priorities, outside of which it will generally not enforce federal prohibitions on marijuana in U.S. states that have authorized this conduct so long as the U.S. state has implemented a strong and effective regulatory program. This federal guidance is subject to change, rescission or alteration by other federal government policy pronouncements at any time. We remind investors that the political and regulatory circumstances surrounding the treatment of U.S. marijuana-related activities are uncertain. In the event that U.S. federal law against marijuana is enforced, there could be material consequences for any issuer with U.S. marijuana related activities, including prosecution and asset seizure.

As announced, the Company sees the cannabis industry as a source of focus. The reason for this is simply that marketing of cannabis companies, their products as well as information about the industry itself is in its infancy. Initially, the Pacific Northwest will be the Company’s main target geography, but this is expected to expand from British Columbia and Washington state into Oregon and eventually California.

The Company wishes to clearly state that it is not, or proposing to be, in the cannabis production business in the United States or Canada. It also wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States. Chemistree will at all times abide by and respect these laws and regulations in all its future potential business engagements.

At this date the Company is not aware of any non-compliance with U.S. federal laws.

Cannabis-related Practices or Activities are Illegal Under U.S. federal laws. The Company may be viewed as having a material ancillary involvement in the cannabis business. As such, the Company has adopted a strategy to evaluate, monitor and reassess its status on a regular basis; and it will supplement, amend and communicate its public filings in the event of government policy changes or the introduction of new federal enforcement priorities, laws or regulations regarding marijuana regulation.

The concepts of “medical cannabis” and “retail cannabis” do not exist under U.S. federal law. The Federal Controlled Substances Act classifies “marihuana” as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

The Company's existing investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the United States or any other jurisdiction.

There is no assurance that the diversification strategy will yield a marketable product, with a potential to elevate the Company to a cash-flow positive state.

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

The Company was recently incorporated, has no history of earnings, and shall not generate earnings or pay dividends in the foreseeable future.

Related Party Transactions

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the years ended June 30, 2017 and 2016, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

<u>Related party</u>	<u>Nature of transaction</u>
Pacific Equity Management Corp. ("PEMC")	Management fees for services provided by CEO, CFO, VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff.
Contact Financial Corp. ("CFC")	Rent and shared office expenses.
1044825 BC Ltd. ("1BL")	Consulting fees for services provided by former CTO

Due to related parties include the following amounts:

	June 30, 2017	June 30, 2016
	\$	\$
PEMC	695	28,245
CFC	1,750	nil
	<u>2,445</u>	<u>28,245</u>

For the year ended June 30, 2017, the Company paid or accrued \$35,000 (2016: \$45,000) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer of the Company is a significant shareholder. Pursuant to an amended rental agreement, the Company is required to pay \$2,500 per month to PEMC, thus terminating the agreement with CFC. The amended agreement with PEMC can be terminated by either party with six months' notice.

For the year ended June 30, 2017, the Company paid or accrued a total of \$166,667 (2016: \$120,000) to PEMC, a company controlled by officers of the Company for management services. Pursuant to an amended Management Services Agreement, the Company is required to pay \$20,000 per month, and the agreement can be terminated by either party with six months' notice.

The aggregate values of transactions relating to key management personnel were as follows:

	June 30, 2017	June 30, 2016
CEO fees	\$ 41,667	\$ 18,150
CFO fees	41,667	18,150
Other management fees	83,333	36,300
Rent	35,000	45,000

Table of Contractual Obligations

<i>Contractual Obligations:</i>	<i>Payments Due by Period</i>
<p>Management Contract with</p> <p>Pursuant to a Management Services Agreement dated as of August 1, 2008, as amended June 29, 2015, and February 1, 2017, the Company has engaged Pacific Equity Management Corporation ("PEMC") for management services. PEMC is a management services company controlled by Karl Kottmeier and Douglas E. Ford, each of whom is a director and/or officer of the Company. The monthly management fee payable under the Agreement is \$20,000, plus taxes. The services provided by PEMC include the provision of the services of the following officers and employees: President, Chief Financial Officer; Vice President-Finance, Administrator; Corporate Development Manager; and Receptionist. The Agreement may be terminated by either party on six months' notice. In the event there is a change of effective control of the Company, PEMC has the right to terminate the Agreement and in such event the Company shall pay PEMC a severance payment equal to twelve (12) months management fees. For purposes of the Agreement, "change of effective control" of the Company shall be deemed to have occurred when voting shares of the Company are acquired by any one person or group of persons acting in concert, through one transaction or a series of transactions, which when added to the number of voting shares previously owned by such person or group of persons acting in concert, would equal at least twenty percent (20%) of the total issued voting shares of the Company from time to time.</p>	<p>Pacific Equity Management Corp.</p> <p>\$20,000 per month</p>
<p>Rent & Office Services Contract with</p> <p>Pursuant to a Services Agreement dated as of July 1, 2017, the Company has agreed to pay to PEMC \$2,500 per month, plus taxes for the provision of office space, office equipment and associated administrative services. The Agreement may be terminated by either party on six months' notice.</p>	<p>Pacific equity Management Corp.</p> <p>\$2,500 per month</p>

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Critical Accounting Estimates

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

Proposed Transactions

The Company has no undisclosed transactions proposed at this time.

Accounting Changes

Future Accounting Pronouncements

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New Accounting Standards

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

Financial Instruments and Other Instruments

Capital Disclosure

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at June 30, 2017, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources are insufficient to carry on its planned operations.

Financial Instruments, Fair Value Measurement and Risk

a) Financial Instruments

As at June 30, 2017, the Company's financial instruments consist of cash and cash equivalents, taxes receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on "Level 1" inputs which consist of quoted prices in active markets for identical assets. As at June 30, 2017, the Company believes that the carrying values of taxes receivable and accounts payable and accrued liabilities, due to related parties, and Promissory Note approximate their fair values because of their nature and relatively short maturity dates or durations

c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$142,714 (2016 - \$58,955) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at June 30, 2017, the Company had working capital of \$26,149 (2016: deficit of \$11,697). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at June 30, 2017, the Company has sufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Historically, the Company operated internationally. Such operations give rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company may periodically increase or decrease the amount of funds held in foreign currencies.

Disclosure Controls and Procedures

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and that (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic Certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital Data

The following table sets forth the Company's share capital data as at October 27, 2017:

Common Shares -issued & outstanding	20,294,405		
Options	900,000	Exercise price: \$0.10	Expiry: 6/7/2022
Options	50,000	Exercise price: \$0.36	Expiry: 4/8/2021

Events after June 30, 2017

- a) The Company arranged a non-brokered private placement financing to raise up to \$2-million for general corporate working capital purposes. The offering will consist of up to eight million common shares at a price of 25 cents per share. Finders' fees may be payable in connection with the private placement. On October 12, 2017, the Company closed the first tranche of the private placement issuing 5,146,000 common shares at \$0.25 for gross proceeds of \$1,286,500.
- b) The Company arranged a term loan credit facility for up to \$800,000 (U.S.) for 10 years with at an interest rate of prime plus 0.5 per cent.

Further Information

Additional information about the Company is available at the Canadian disclosure website www.sedar.ca

APPENDIX C

**Management's Discussion &
Analysis – March 31, 2018**

THE ATTACHED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

Management Discussion and Analysis as of May 14, 2018

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to permitting time lines, currency fluctuations, requirements for additional capital, government regulation, environmental risks, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning general expectations are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements for the period ended March 31, 2018, and with the audited financial statements for the year ended June 30, 2017; together with the corresponding notes of Chemistree Technology Inc. (formerly, Whattozee Networks Inc.) (the "Company"). This MD&A covers the period ended March 31, 2018 and the subsequent period up to the date of filing.

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements and do not include all the information required for full annual financial statements. Accordingly, they should be read in conjunction with our IFRS financial statements for the fiscal year ended June 30, 2017. The accounting policies applied in the unaudited condensed interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of February 28, 2018, the date the Board of Directors approved these unaudited condensed interim consolidated financial statements and they are consistent with those disclosed in the annual financial statements.

All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com

Outlook

Chemistree is focusing its efforts on social media, branding, licensing and marketing technology. In addition to marketing events, brands and any other activities in the cannabis industry, the company will continue to identify other avenues for growth for social media marketing services, as well as brand marketing, product marketing, and more general services like financing and corporate consulting. The Company believes the cannabis industry offers a tremendous opportunity for growth. The reason for this is simply that marketing of cannabis companies, their products as well as information about the industry itself is in its infancy. Initially, the Pacific Northwest is the Company's main target geography, but this is expected to expand from British Columbia and Washington into Oregon, and eventually California.

During the year ended June 30, 2017, the Company continued to develop its diversification strategy. Following the February 2016 unveiling of the beta version of Whattozee.com, the Company fine-tuned the technology in preparation for a commercial launch. The recommendations contained in a technology audit completed in early October 2016 have allowed the Company to refocus its business plan more as a service provider and less as a product developer. The Company is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

Strategic growth opportunities exist where the Company can add value to clients' existing initiatives in social media engagement, branding, and marketing. These opportunities may require long lead-times and extensive due diligence to understand the clients' needs and capacities. The Company is developing a revenue strategy as to how it can derive income from this consulting and business development effort. The Company is also applying a global outlook to its investigation of potential opportunities in the cannabis space in general. During the current fiscal year, the Company entered into a strategic relationship with LG Digital Inc., a Vancouver-based digital marketing and production company. LG has provided expert digital marketing, website, video production and graphic design work to its international client base since 2013. LG is also the owner and producer of the highly successful and influential Growing Exposed series of documentary, educational and biographical videos focused exclusively on the cannabis industry. Additionally, the Company has been engaged by Sugarleaf Farm LLC (Sugarleaf Cannabis), Hydroselect Holdings and Elite Extracts, to assist with social media marketing and brand development.

As a result of working within the cannabis industry, specifically within Washington State, the Company became familiar with a number of producers and brands which were in need of the Company's suite of services. When the Company focused its branding and marketing efforts on the cannabis industry in summer of 2017, we found several under-served sectors. With the geographic disconnects caused by a lack of federal legislation in the US, our networking in Washington state lead us to several producer/processors that were ill-equipped to handle the fast-moving trends in the space. In turn, this burgeoning sector of the economy was suffering from tremendous over-supply, and in many corners – a lack of marketing and operations sophistication to keep-up. In May of 2018, the Company entered into a letter of intent with arm's-length parties to acquire a suite of Washington-based assets used in cannabis cultivation, production, distribution and branding. The assets collectively represent the Sugarleaf brand (the "SL Assets")

The SL Assets include all of the assets used in the business of operating the "Sugarleaf" brand; free and clear of any encumbrance. Including, but not limited to, all brands, trademarks, websites, URLs, packaging, goods in process, social media accounts, inventory, vehicles, leases, software, furniture, systems, equipment, lighting, assignments, client lists and marketing materials. The acquisition does not include any receivables, payables, warranties, employee or tax liabilities. The Sugarleaf brand is an established cannabis brand within Washington state, and is currently sold in approximately 125 retail locations.

In a parallel process and subject to the asset acquisition, a Washington-based strategic partner of Chemistree (the "Partner") will acquire the Washington State I-502 Tier 3 Producer/Processor License No. 423406 (the "License") from Sugarleaf Farm, LLC ("Sugarleaf"). The license acquisition is subject to Washington State Liquor and Cannabis Board ("WSLCB") approval. Chemistree also anticipates securing rights to the property used in connection with License. Chemistree believes that the licensed premises can be secured on commercially acceptable terms

Consideration payable for the SL Assets is US\$1,000,000 payable in cash.

The acquisition of the SL Assets represents a “change of business” for the Company, and will be treated as a Fundamental Change under Policy 8 of the CSE. The Company will be filing the appropriate documentation with the CSE to seek approval of the acquisition and the change in classification of the Company from a technology issuer to an investment issuer. In addition, pursuant to Policy 8 of the CSE the Company will be required to obtain shareholder approval.

The Company wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States.

Cannabis-related Practices or Activities are Illegal Under U.S. Federal Laws

The concepts of “medical cannabis” and “recreational cannabis” do not exist under U.S. federal law. The Federal Controlled Substances Act classifies “marihuana” as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Enforcement of U.S. federal laws will be a significant risk to the business of the Company following the completion of the acquisitions, and any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

Further information regarding the legal status of cannabis related activities and associated risk factors, including, but not limited to, risk of enforcement actions, risks that third party service providers, such as banking or financial institutions cease providing services to the Company, and the risk that Company may not be able to distribute profits, if any, from U.S. operations up to the Company, will be included in the Form 2A listing statement to be filed with the CSE.

Restrictions under I-502 prohibit the Company and/or its subsidiaries from having any direct interest in proceeds of production, processing or retail marijuana activities in Washington. The Company and/or its subsidiaries can, however, lease property and license its brands, production and consulting services to approved Washington State marijuana license holders. This will allow Chemistree to ensure that all products produced under the Chemistree program and/or associated under the brand meet or exceed the Chemistree brand quality standards. Chemistree and Partner anticipate entering into certain of the foregoing leasing and operating arrangements on mutually agreeable terms.

Following completion of the asset acquisition and related agreements, Chemistree expects to generate revenue through leasing turn-key premises, licensing its brands, and providing production and consulting services to Partner as well as other approved State of Washington license holders, but will not be directly involved in production, processing or retail cannabis activities. The Company, through Chemistree Washington Ltd., also expects that it will invest in and develop real estate in the State of Washington for the purpose of serving licensed I-502 production and processing businesses.

In addition to providing specialized facilities to I-502 producers and processors, the Company intends to develop its growing techniques, standard operating procedures and innovative manufacturing practices to further assist license holders with their production and processing operations. The Company believes these services will create synergies and advantages that will provide for significant and long-term revenue for the license holder and, in turn, to the Company.

As a building block, and in addition to the Company’s branding, marketing, media and social media business, the SL Assets acquisition will provide the Company a platform to enter into cannabis cultivation, production, processing, distribution and retail sales, while also allowing the Company to establish an investment portfolio of cannabis-related, and potentially non-cannabis related real estate assets.

Business objectives 12 months forward

The Company has determined that its business objectives in the forthcoming 12-month period are to: (i) continue to develop its client base in the western part of North America; (ii) takeover conduct and optimization of the SL Assets; (iii) expand the asset base of the Company through direct investment, and or mergers and acquisitions; and (iv) continue the pursuit of vertically integrating assets within the cannabis industry throughout western North America.

Corporate Overview

Chemistree Technology Inc. (formerly, Whattozee Networks Inc.) (the “Company”) was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Chemistree Technology Inc became effective August 3, 2017. The Company’s registered office is located at Suite 810 – 609 Granville Street, Vancouver, British Columbia. Effective October 17, 2017 the Company incorporated a wholly-owned subsidiary, Chemistree Washington Ltd., in the State of Washington, USA.

Effective January 25, 2017, the Issuer’s common shares were consolidated on a one-new for three-old basis, resulting in 5,148,405 common shares being issued and outstanding. In conjunction with the share consolidation, the CSE recognized the Issuer’s name change and the Fundamental Change of the Issuer’s business from being a mining issuer to be being a technology issuer.

During the period ended March 31, 2018, in two tranches - the Company closed the non-brokered private placement announced August 3, 2017. It issued 6,190,800 common shares at \$0.25 per share, for gross proceeds of \$1,547,700. The proceeds were added to the Company's working capital.

In the 2017 period, in two tranches – the Company closed the non-brokered private placement announced November 18, 2016. It issued 10,000,000 common shares at \$0.05 cents per share, for proceeds of \$500,000. The proceeds from both private placements were added to the Company's working capital.

The Company’s anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company’s liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

Overall Performance

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has generated limited revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at March 31, 2018, the Company had working capital of \$1,505,890 (2017 year-end: \$26,149). and had accumulated a deficit of \$11,312,634 (June 30, 2017 year end: \$10,842,618) since inception.

Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company’s activities would reveal this. And there is nothing to suggest that these trends will change.

Selected Financial Data [Annual]

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company.

	Year ended		
	June 30, 2017	June 30, 2016	June 30, 2015
Operating Revenue	\$ 0	0	0
Net income (loss)	\$ (524,418)	(626,545)	(81,097)
Income (Loss) per share	\$ (0.06)	(0.05)	(0.01)
Share capital	\$ 10,107,349	9,613,138	9,265,168
Common shares issued	15,148,405	5,148,405	3,981,740
Weighted average shares outstanding	9,038,816	4,447,952	2,631,969
Total Assets	\$ 142,714	63,191	226,974
Net Assets (liabilities)	\$ 24,149	(11,697)	203,067
Cash Dividends Declared per Common Shares	\$ 0	0	0

Operations Overview

Prior to July 1, 2017 the Company was not generating revenue. With Chemistree's entry into service arrangements in the cannabis industry, limited revenues began in fiscal Q2.

During the year ended June 30, 2017, the Company continued to develop its diversification strategy. Following the February 2016 unveiling of the beta version of Whattozee.com, the Company fine-tuned the technology in preparation for a commercial launch. The recommendations contained in a technology audit completed in early October have allowed the Company to refocus its business plan more as a service provider and less as a product developer. The Company is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

Results of Operations

9-months ended March 31, 2018

During the period, the Company reported its first-ever operating revenues of \$53,571 [2016: \$nil] reflecting commencement of operations in social media marketing, branding and related services to the cannabis industry. In the period the Company incurred operating losses of \$481,537 [2017: \$391,092]. All of the Company's expenditures related to delivery of its services, ongoing business development and to general corporate operations. With the refocusing of the Company as a service provider, business development expense was reduced to \$125,365 from \$138,626 in 2017; and consulting services expense of \$nil in the 2018 period, was a significant reduction to the \$48,000 incurred in the comparative period. General and administrative expense of \$70,296 was increased 54% from the \$45,560 incurred in the 2017 period; professional fees increased significantly due to the pursuit of an upgrade of the Company's share trading platform in the United States and by certain expansion pursuits in Washington State and California to \$67,054 in the 2018 period compared with \$16,038 in 2017. Management fees were increased to \$180,000 from the 2017 level of \$110,000 reflecting the availability of increased working capital and the ability to pay fees more in keeping with existing management services agreement. The Company recorded interest expense of \$10,545 in the 2018 period [2017: \$nil] due to the creation of the long-term notes payable in the period. Travel expense was \$10,966 in the 2018 period, compared with \$nil in 2017, reflecting the costs associated with expansion initiatives in the United States.

Fiscal year ended June 30, 2017

During the year, the Company incurred operating expenses of \$525,639 [2016: \$599,959]. All of the Company's expenditures related to developing its technology offerings and to general corporate operations. With the refocusing of the Company as a service provider, business development expense was reduced to \$140,885 from \$191,362 in 2016; and consulting expense of \$48,000 in 2017, was a significant reduction to the \$111,150 incurred in the prior year. General and administrative expense of \$37,562 was reduced 22% from the \$48,028 incurred in 2016; professional fees were reduced by a similar percentage to \$22,878 in 2017 compared to \$30,154 in 2016 – the reductions are indicative of a normalization of the administrative burden in 2017 after the transition from the TSX Venture Exchange to the Canadian Securities Exchange in 2016. Management fees were

increased to \$166,667 from the 2016 level of \$120,000 reflecting the availability of increased working capital and the ability to pay fees more in keeping with existing management services agreement. The Company recorded non-cash expenses related to the write-down of the Turner Lake Property of \$nil [2016: \$26,667]; and \$68,053 [2016: \$63,811] for share-based compensation related to the grant of stock options during the year.

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

	Quarter Ended							
	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016
Revenues	\$ 5,509	48,262	-	-	-	-	-	-
Comprehensive (loss) gain	\$ (146,671)	(150,496)	(172,655)	(133,815)	(87,826)	(143,996)	(158,781)	(275,227)
Earnings (loss) per share	\$ (0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.03)	(0.03)	(0.05)
Share capital	\$ 11,648,292	11,648,292	10,107,349	10,107,349	10,107,349	9,613,138	9,613,138	9,613,138
Common shares issued	21,339,205	21,339,205	15,148,405	15,148,405	15,148,405	5,148,405	5,148,405	5,148,405
Weighted average shares outstanding	21,339,205	19,895,744	15,148,405	15,148,405	10,815,072	5,148,405	5,148,405	5,105,916
Total Assets	\$ 1,583,854	1,700,134	435,042	142,714	141,735	38,896	36,087	63,191
Net Assets (liabilities)	\$ 1,097,076	1,243,747	(21,701)	24,149	91,911	(314,474)	(170,478)	(11,697)
Dividends Declared per Share	\$ 0	0	0	0	0	0	0	0

Fluctuations in Results

As stated above, operating results fluctuated due to the launching of the Company's service offerings and the pursuit of expansion opportunities in the cannabis industry.

Liquidity and Capital Resources

As at March 31, 2018, the Company had working capital of \$1,505,890 (June 30, 2017 year end: \$26,149) and had accumulated a deficit of \$11,312,634 (June 30, 2017 year end: \$10,842,618) since inception.

As at March 31, 2018, the Company had cash and equivalents on hand of \$1,552,018.

During the period, the Company issued Promissory Notes to evidence borrowings. The notes mature on July 17, 2027, and bear interest at the Canadian prime bank rate plus 0.5 percent. As at March 31, 2018, the principal amount of the notes issued was \$411,959 (2017: \$nil).

The Company expects its current capital resources are sufficient to carry on its planned operations.

Additional Disclosure for Issuers Without Significant Revenue

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has only recently commenced generating revenues. There is no assurance that the Company can sustain the existing revenues or increase them to a level of profitability.

The Company has limited funds. There is no assurance that the Company can access additional capital. The future requirements for additional capital will require issuance of common shares resulting in a dilution of the share capital issued previously.

Recent changes to disclosure requirements for “Issuers with U.S. Marijuana Related Activities”. The marijuana industry has accelerated in recent years as a number of jurisdictions, including Canada and certain U.S. states. Certain jurisdictions continue to explore liberalization measures around marijuana law. While most jurisdictions have a uniform national framework for marijuana regulation, in the U.S., there is a conflict between state and federal law related to marijuana with certain U.S. states permitting its use and sale within a regulatory framework notwithstanding that marijuana continues to be listed as a controlled substance under U.S. federal law. As such, marijuana related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under U.S. federal law. . We remind investors that the political and regulatory circumstances surrounding the treatment of U.S. marijuana-related activities are uncertain. In the event that U.S. federal law against marijuana is enforced, there could be material consequences for any issuer with U.S. marijuana related activities, including prosecution and asset seizure.

As announced, the Company sees the cannabis industry as a source of focus. The reason for this is simply that marketing of cannabis companies, their products as well as information about the industry itself is in its infancy. Initially, the Pacific Northwest will be the Company’s main target geography, but this is expected to expand from British Columbia and Washington state into Oregon and eventually California.

The Company wishes to clearly state that it is not in the cannabis production business in the United States or Canada. It also wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States. Chemistree will at all times abide by and respect these laws and regulations in all its future potential business engagements.

At this date the Company is not aware of any non-compliance with U.S. federal laws.

Cannabis-related Practices or Activities are Illegal Under U.S. federal laws. At current, the Company may be viewed as having a material ancillary involvement in the cannabis business. As such, the Company has adopted a strategy to evaluate, monitor and reassess its status on a regular basis; and it will supplement, amend and communicate its public filings in the event of government policy changes or the introduction of new federal enforcement priorities, laws or regulations regarding marijuana regulation.

The concepts of “medical cannabis” and “retail cannabis” do not exist under U.S. federal law. The Federal Controlled Substances Act classifies “marijuana” as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

The Company's existing investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the United States or any other jurisdiction.

There is no assurance that the diversification strategy will yield a marketable product, with a potential to elevate the Company to a cash-flow positive state.

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

The Company was recently incorporated, has no history of earnings, and shall not generate earnings or pay dividends in the foreseeable future.

Related Party Transactions

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the periods ended March 31, 2018 and 2017, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

<u>Related party</u>	<u>Nature of transaction</u>
Pacific Equity Management Corp. ("PEMC")	Management fees for services provided by CEO, CFO, VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff; includes rent and shared office expenses. Under a separate agreement rent and shared office expenses commencing July 1, 2017.
Contact Financial Corp. ("CFC")	Rent and shared office expenses as per original rental agreement terminated June 30, 2017.
Karl Kottmeier ("Kottmeier") 1044825 BC Ltd. ("1BL")	Expenditures incurred by a Director to be reimbursed Consulting fees for services provided by former CTO
Justin Chorbajian ("Chorbajian")	Note payable issued for funds advanced by a Director

Due to related parties include the following amounts:

	March 31, 2018	June 30, 2017
	\$	\$
PEMC	695	695
CFC	1,750	1,750
Kottmeier	332	-
	<u>2,777</u>	<u>2,445</u>

For the period ended March 31, 2018, the Company paid a total of \$180,000 (2017: \$110,000) to PEMC, a company controlled by two officers of the Company for management services. Pursuant to an amended Management Services Agreement, the Company is required to pay \$20,000 per month, and the agreement can be terminated by either party with six months' notice.

For the period ended March 31, 2018, the Company paid \$22,500 (2017: \$nil) to PEMC, a company controlled by two officers of the Company for rent and office services. Pursuant to an amended rental agreement, the Company is required to pay \$2,500 per month to PEMC. The amended agreement with PEMC can be terminated by either party with six months' notice.

For the period ended March 31, 2018, the Company paid or accrued \$nil (2017: \$45,000) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer of the Company is a significant shareholder. Pursuant to an amended rental agreement, the Company was required to pay \$2,500 per month to PEMC, thus terminating the agreement with CFC.

For the period ended March 31, 2018, the Company paid a total of \$nil (2017: \$48,000) to 1BL, a company controlled by the former CTO for consulting services.

Included in the Note Payable financing, is \$78,431 (2017: \$nil) the amount as subscribed by Chorbajian.

The aggregate values of transactions relating to key management personnel were as follows:

	March 31, 2018	December 31, 2016
CEO fees	\$ 45,000	\$ 27,500
CFO fees	45,000	27,500
Other management fees	90,000	-
Rent	22,500	45,000
Consulting	-	48,000

Table of Contractual Obligations

<i>Contractual Obligations:</i>	<i>Payments Due by Period</i>
Management Contract with Pursuant to a Management Services Agreement dated as of August 1, 2008, as amended June 29, 2015, and February 1, 2017, the Company has engaged Pacific Equity Management Corporation ("PEMC") for management services. PEMC is a management services company controlled by Karl Kottmeier and Douglas E. Ford, each of whom is a director and/or officer of the Company. The monthly management fee payable under the Agreement is \$20,000, plus taxes. The services provided by PEMC include the provision of the services of the following officers and employees: President, Chief Financial Officer; Vice President-Finance, Administrator; Corporate Development Manager; and Receptionist. The Agreement may be terminated by either party on six months' notice. In the event there is a change of effective control of the Company, PEMC has the right to terminate the Agreement and in such event the Company shall pay PEMC a severance payment equal to twelve (12) months management fees. For purposes of the Agreement, "change of effective control" of the Company shall be deemed to have occurred when voting shares of the Company are acquired by any one person or group of persons acting in concert, through one transaction or a series of transactions, which when added to the number of voting shares previously owned by such person or group of persons acting in concert, would equal at least twenty percent (20%) of the total issued voting shares of the Company from time to time.	Pacific Equity Management Corp. \$20,000 per month

Rent & Office Services Contract with Pursuant to a Services Agreement dated as of July 1, 2017, the Company has agreed to pay to PEMC \$2,500 per month, plus taxes for the provision of office space, office equipment and associated administrative services. The Agreement may be terminated by either party on six months' notice.	Pacific Equity Management Corp. \$2,500 per month
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Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Critical Accounting Estimates

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

Proposed Transactions

See "Events after March 31, 2018", below.

Accounting Changes

Future Accounting Pronouncements

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New Accounting Standards

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- IFRS 16 "Leases": replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now 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, however this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

Financial Instruments and Other Instruments

Capital Disclosure

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at March 31, 2018, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources are insufficient to carry on its planned operations.

Financial Instruments, Fair Value Measurement and Risk

a) Financial Instruments

As at March 31, 2018, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, taxes receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on "Level 1" inputs which consist of quoted prices in active markets for identical assets. As at March 31, 2018, the Company believes that the carrying values of accounts receivable, taxes receivable and accounts payable and accrued liabilities, due to related parties, and Promissory Note approximate their fair values

because of their nature and relatively short maturity dates or durations

c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is \$1,645,743 (2016 - \$31,493) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at March 31, 2018, the Company had working capital of \$1,637,561 (2017 year-end: \$26,149). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at March 31, 2018, the Company has sufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Historically, the Company operated internationally. Such operations give rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company may periodically increase or decrease the amount of funds held in foreign currencies.

Disclosure Controls and Procedures

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and that (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic Certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital Data

The following table sets forth the Company’s share capital data as at May 14, 2018:

Common Shares -issued & outstanding	21,339,205		
Options	900,000	Exercise price: \$0.10	Expiry: 6/7/2022
Options	50,000	Exercise price: \$0.36	Expiry: 4/8/2021

Events after March 31, 2018

a) The Company has entered into a letter of intent with arm’s-length parties to acquire a suite of Washington-based assets used in cannabis cultivation, production, distribution and branding. The acquisition is subject to the execution of definitive agreements, completion of the required financing and all shareholder and regulatory approvals, including approval of the Canadian Securities Exchange (the “CSE”). SL asset acquisition and PP financing. Consideration for the asset acquisition will be US\$1,000,000 payable in cash.

b) On May 11, 2018, the Company announced a private placement financing to raise up to \$2.1-million. The offering will be non-brokered and consist of up to six million units at a price of \$0.35 per unit. Each unit will be comprised of one common share and one common share purchase warrant (a “Warrant”); each Warrant will entitle the holder to acquire one additional common share for \$0.50 for a period of 24-months after closing of the private placement. The Warrants are subject to an acceleration provision whereby if the closing market price of the Common Shares of the Company on the CSE is greater than \$0.60 per Common Share for a period of ten (10) consecutive trading days (a “Trigger Event”), then the Company may deliver a notice (the “Acceleration Notice”) to the holders of Warrants notifying the holders that the Warrants must be exercised within thirty (30) calendar days from the date of the Acceleration Notice, otherwise the Warrants will expire at 4:00 p.m. (Vancouver time) on the thirtieth (30th) calendar day after the date of the Acceleration Notice. The net proceeds of the private placement will be added to general working capital, some of which are expected to be deployed to close the Washington asset acquisition.

Further Information

Additional information about the Company is available at the Canadian disclosure website www.sedar.ca