

HARRYS MANUFACTURING INC.
(Formerly known as Westridge Resources Inc.)

FORM 2A - LISTING STATEMENT

OCTOBER 5, 2018

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GLOSSARY

“**Acquisition**” has the meaning ascribed to it in Section 3.2 of this Listing Statement;

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

“**Auditors**” has the meaning ascribed to it in Section 21.1 of this Listing Statement;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**CEO**” means Chief Executive Officer;

“**CFO**” means Chief Financial Officer;

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

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

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Computershare**” means the transfer agent Computershare Investor Services Inc.;

“**CSE**” means the Canadian Securities Exchange;

“**CSE Listing**” means the listing of the Harrys Shares on the CSE;

“**Distribution Agreement**” has the meaning set out in Section 3.1 of this Listing Statement;

“**Distribution Agreement Date**” has the meaning set out in Section 3.1 of this Listing Statement;

“**Distribution Agreement Term**” has the meaning set out in Section 3.1 of this Listing Statement;

“**Effective Date**” means the effective date of the Acquisition;

“**Escrow Agent**” means Computershare, in its capacity as escrow agent for the common shares held in escrow under the Escrow Agreement to be entered into prior to Closing;

“**Escrow Agreement**” has the meaning ascribed to it in Section 3.1 of this Listing Statement;

“**Escrow Shares**” has the meaning set out in Section 3.1 of this Listing Statement;

“**FCTC**” means the World Health Organization's Framework Convention on Tobacco Control;

“**Government Authority**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal,

commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE;

“**Harrys**” or the “**Issuer**” means Harrys Manufacturing Inc., formerly known as Westridge Resources Inc.;

“**Harrys Annual MD&A**” means Harrys’ MD&A for the year ended July 31, 2017;

“**Harrys Audited Annual Financial Statements**” means the audited statement of financial position as at July 31 2017, 2016 and 2015 and the statements of comprehensive loss, changes in shareholders’ equity (deficiency), and cash flows for the years then ended;

“**Harrys Board**” means the board of directors of Harry;

“**Harrys Interim MD&A**” means Harrys’ MD&A for the period ended April 30, 2018;

“**Harrys Option Plan**” has the meaning set out in Section 9.1 of this Listing Statement;

“**Harrys Options**” has the meaning set out in Section 9.1 of this Listing Statement;

“**Harrys Shares**” means the common shares without par value in the capital of Harrys;

“**Harrys Shareholders**” means the holders of Harrys Shares;

“**Harrys Tobacco**” means Harrys Tobacco, a British Columbia sole proprietorship registered, on September 23, 2014;

“**Harrys Unaudited Interim Financial Statements**” means the unaudited 9 month period ended April 30, 2018 and the statements of comprehensive loss, changes in shareholders’ equity (deficiency), and cash flows for the period then ended;

“**Harrys Units**” has the meaning set out in Section 10.3 of this Listing Statement;

“**Harrys Warrants**” means the right to purchase one Harrys Share;

“**HIMI**” means Harrys International Manufacturing Inc.;

“**HIMI Facility**” has the meaning set out in Section 3.1 of this Listing Statement;

“**HIMI Financial Statements**” means HIMI’s Statement of financial position as at July 31, 2017 and the statements of comprehensive loss, changes in shareholders’ equity (deficiency), and cash flows for the period then ended;

“**HIMI Option Plan**” has the meaning set out in Section 9.1 of this Listing Statement;

“**HIMI Shares**” means all issued and outstanding common shares in the capital of HIMI;

“**HIMI Shareholders**” means holders of HIMI Shares;

- “**Intact**” has the meaning set out in Section 3.1 of this Listing Statement;
- “**Licensor**” has the meaning set out in Section 3.1 of this Listing Statement;
- “**Listing Date**” means the date of the CSE Listing;
- “**Listing Statement**” means this listing statement;
- “**Loan**” has the meaning set out in Section 3.1 of this Listing Statement;
- “**Longford**” means Longford Exploration;
- “**MD&A**” means management’s discussion and analysis;
- “**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and the companion policies and forms thereto, as amended from time to time;
- “**Named Executive Officer**” or “**NEO**” has the meaning set out in Section 15 of this Listing Statement;
- “**Northern Sun**” has the meaning set out in Section 13.3 of this Listing Statement;
- “**Option Agreement**” has the meaning set out in Section 3.1 of this Listing Statement;
- “**Option to Lease**” has the meaning ascribed to it in Section 3.1 of this Listing Statement;
- “**person**” means a Company or individual;
- “**Payment Shares**” has the meaning set out in Section 3.1 of this Listing Statement;
- “**Pro-Forma Financial Statements**” means the April 30, 2018 unaudited pro-forma financial statements of Harrys;
- “**Property**” has the meaning set out in Section 3.1 of this Listing Statement;
- “**Related Party Transaction**” has the meaning ascribed to such term in MI 61-101;
- “**Response**” has the meaning set out in Section 13.3 of this Listing Statement;
- “**Securities Act**” means the *Securities Act* (British Columbia).
- “**SEDAR**” means System for Electronic Document Analysis and Retrieval;
- “**Service Provider**” has the meaning set out in Section 9.1 of this Listing Statement;
- “**Share Exchange Agreement**” has the meaning set out in Section 3.2 of this Listing Statement;
- “**Supplies**” has the meaning set out in Section 3.1 of this Listing Statement;

“**Termination Date**” means July 31, 2018, or such later date as may be agreed in writing between Harrys and HIMI;

“**Transaction**” means the completion of the (i) the Acquisition; and (iii) the CSE Listing; and

“**TSX-V**” means the TSX Venture Exchange.

1. INTRODUCTION

1.1 General Matters

This Listing Statement was furnished by and on behalf of the management of Harrys in order to qualify for listing of the securities of the Issuer following a fundamental change under the Policies of the CSE

The information contained or referred to in this Listing Statement with respect to HIMI and their related business has been provided by their respective management. Harrys has reviewed information and documents provided by HIMI, including audited financial statements of HIMI. Management and directors of Harrys have relied upon HIMI for the accuracy of the information provided by HIMI.

Capitalized terms used herein and not otherwise defined have the meanings attributed to them in the Share Exchange Agreement.

1.2 Documents Incorporated by Reference

Information has been incorporated by reference in this Listing Statement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Executive Officer of Harrys at 1518 - 800 West Pender Street, Vancouver, BC V6C 2V6, and are also available electronically under Harrys’ SEDAR profile at www.sedar.com.

1.3 Forward-Looking Statements

This Listing Statement contains information based on current expectations. Certain statements herein may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Harrys, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Listing Statement, such statements use such words as “will”, “may”, “could”, “intends”, “potential”, “plans”, “believes”, “expects”, “projects”, “estimates”, “anticipates”, “continue”, “potential”, “predicts” or “should” and other similar terminology. These statements reflect expectations regarding future events and performance but speak only as of the date of this Listing Statement. Forward-looking statements include, among others, plans to market, sell and distribute products; market competition; plans to retain and recruit personnel; the ability to secure funding; and the ability to obtain regulatory and other approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, contingencies, uncertainties and other factors that may cause

actual results, performance or achievements to be materially different from those implied by such statements. These risks, contingencies, uncertainties and other factors include:

- the effect of possible unfavorable outcomes in litigation based on allegations relating to the sale, distribution, manufacture, development, advertising, marketing and health effects of tobacco products that may be instituted against Harrys or its subsidiaries and potential bonding difficulties related to adverse judgments resulting from such litigation;
- the possibility that Health Canada fails to grant a licence allowing HIMI to manufacture its own tobacco product;
- the adverse effects arising out of actions by international governmental authorities (or agreements between such governmental authorities and Harrys or its subsidiaries) related to product labeling and advertising, potentially resulting in decreased sales;
- the possibility that Health Canada will issue regulations further controlling constituents in cigarettes, including requiring the reduction of nicotine levels or the reduction or elimination of other constituents;
- considering HIMI's dependence on the global cigarette market, the continued decline in global cigarette consumption;
- the success or failure of new products, marketing strategies and promotional programs;
- foreign currency and interest rate fluctuations;
- competitive actions and pricing pressures from other manufacturers, including manufacturers of deep-discount cigarette brands;
- significant current and anticipated governmental regulation of tobacco products, including limitations on advertising, marketing, sale and use of tobacco products;
- substantial and increasing taxation of tobacco products;
- fluctuations in the availability, quality and price of raw materials and commodities, including tobacco leaf, used in the products of HIMI;
- the reliance on a few significant manufacturing facilities and single source suppliers for certain key raw materials;
- the possible impairment of goodwill and other intangible assets, including trademarks;
- the concentration of a material amount of sales with a limited number of customers and potential loss of these customers;
- possible security breaches or disruptions in critical information technology systems, many of which are managed by third party service providers;

- the impact of the health and social issues associated with the tobacco industry on Harrys' and HIMI's ability to attract and retain qualified employees, officers, and professionals; and,
- the impact of a potential decrease in Harrys' credit ratings on Harrys' ability to access the debt capital markets and on Harrys' borrowing costs.

Except as provided by securities laws, Harrys is not required to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. There can be no assurance that any intended or proposed activity or transaction will occur or that, if any such action or transaction is undertaken, it will be completed on terms intended by Harrys. Harrys assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

Any market data or industry forecasts used in this Listing Statement, unless otherwise specified, were obtained from publicly available sources. Although Harrys and HIMI believe these sources to be generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified.

Statistical information included in this Listing Statement and other data relating to the industry in which Harrys intends to operate is derived from recognized industry reports published by industry analysts, industry associations and independent consulting and data compilation organizations.

Although Harrys believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Harrys can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements herein speak only as of the date hereof. Actual results could differ materially from those anticipated due to a number of factors and risks including those described in Section 17 - *Risk Factors*.

2. CORPORATE STRUCTURE

2.1 Corporate Name

The full corporate name of Harrys is "Harrys Manufacturing Inc." The principal and registered office of Harrys is Suite 1518-800 West Pender Street Vancouver, BC, V6C 2V6.

2.2 Incorporation

Harrys was incorporated on April 30, 2007 under the BCBCA under the name "Westridge Gold Corp." On January 15, 2008, Harrys changed its name to "Westridge Resources Inc.". On October 4, 2018, in connection with the Acquisition Harrys changed its name to "Harrys Manufacturing Inc.". Harrys is a reporting issuer in British Columbia, Alberta and Ontario.

2.3 Intercorporate Relationships

Harrys

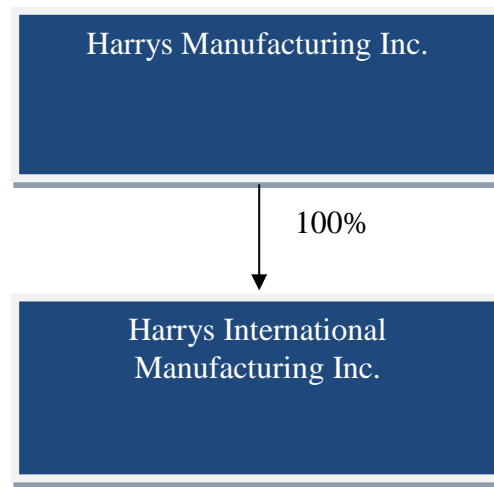
HIMI is a wholly owned subsidiary of Harrys. HIMI was incorporated on November 29, 2016 under the BCBCA under the name “Harrys International Manufacturing Inc. The principal and registered office of HIMI is 9259 Main Street Chilliwack, BC V2P 6K2.

HIMI

Does not have any subsidiaries.

2.4 Fundamental Change or Acquisition

Harrys is requalifying following the Acquisition. The following chart illustrates the intercorporate relationship that is in place:



Please refer to Section 3.2 – *Significant Acquisitions and Dispositions* for a detailed description of the Acquisition.

2.5 Incorporation outside Canada

Neither Harrys or HIMI are incorporated outside of Canada.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Business

Harrys

Harrys was initially focused on the acquisition, evaluation and exploration of mineral resource properties. In 2012, Harrys focused its exploration activities on the Mount Sicker property in the south-eastern area of Vancouver Island, B.C. Harrys also acquired an option to acquire certain concessions in the United Mexican States known as the Charay Project. Harrys also acquired an

option to acquire certain concessions in the United Mexican States known as the Charay Project. However, in 2013, Harrys allowed the leases on the properties to lapse.

On May 4, 2017, Harrys entered into an Option Agreement with Intact Gold Corp. (“**Intact**”) to acquire a 100% right, title and interest in and to those certain mineral claims comprising the Black Jack Gold Property (the “**Option Agreement**”), located in the townships of Kirkup and Manross in the Kenora mining division of Ontario, approximately 20 km southeast of the city of Kenora (the “**Property**”). Under the Option Agreement, Harrys was granted the sole and exclusive right and option to acquire a 100% right, title and interest in the Property, free of all encumbrances, on the following terms: (a) Harrys will pay Intact up to \$155,000 and (b) issue to Intact up to 150,000 common shares of Harrys as per the schedule set out in the Option Agreement.

In late October 2017 Harrys engaged Longford Exploration (“**Longford**”) to continue its work program on the Blackjack Property region in Kenora, Ontario. Due to extreme weather conditions Longford was only able to spend a couple days in the field until work was suspended. Longford advised that any future work on property would have to be performed in the spring of 2018.

On October 24, 2017 Longford visited the Combination area and the Goldhill area and on October 25, 2017 visited the Slamdance, Bulldog and Blackjack areas, as well as the Mystery and Dulmage areas.

Longford took 29 rock samples spread throughout the project. Sampling targeted three differing objectives:

1. High grade samples from ore zones: Several quartz veins were identified within the immediate vicinity of shafts, pits or dumps that contained abundant sulphides, primarily; py, cpy, apy, po and galena.
2. Composite/ Channel samples across structures related to previous mining: These samples were primarily composed of sheared shists with abundant carbonate alteration and minimal sulphides. These samples were taken in the vicinity of known ore shoots, and were therefore testing the possibility of wall rock mineralisation.
3. Disseminated sulphide mineralisation within mafic volcanics: several locations contained disseminated sulphides outside the immediate zone of shearing/ quartz veining. These samples were taken to test for a broader disseminated mineralising envelope.

In December Harrys received results from Longford for its additional work program noted above. Historic data and interpretations published in previous assessment reports compliment observations made during the 2016 and 2017 field programs and has yielded the following conclusions:

- Sulfide mineralization occurs associated with quartz-carbonate veins in sheared and altered mafic volcanic rocks throughout the property.
- Gold mineralization is likely related to quartz veins within shear zones and sulphide minerals with them.
- Potential for gold mineralization associated with disseminated sulphides through host rocks to the veins exists and needs to be investigated further.

After further discussion with Longford it was determined the occurrence of gold mineralization in quartz veins does exist, however samples collected indicate narrow vein deposits that are not ideal for commercialization. The recommended next steps from Longford would be to complete larger scale exploration and work programs ranging between \$350,000 to \$500,000 dollars. Management of Harrys discussed options and has decided that since initial sampling was not ideal it did not make financial sense to commence any further work programs on the Black Jack Gold property. As a result Harrys has decided to no longer pursue its Option Agreement with Intact.

HIMI

HIMI's principal business is the sale and distribution of tobacco products mainly to purchasers located outside of Canada and the United States. HIMI currently operates under a distribution and marketing agreement (the "**Distribution Agreement**") with a Quebec licensed tobacco supplier and cigarette manufacturer, Tabac Houde (the "**Licensor**"), dated January 2, 2018 (the "**Distribution Agreement Date**"), whereby HIMI agreed to source purchasers for tobacco products produced by the Licensor in exchange for a portion of the revenues generated from such sales. Pursuant to the terms of the Distribution Agreement:

- HIMI has provided to the Licensor certain cigarette packaging materials and supplies valued at approximately \$300,000 to be used in the production of tobacco products (the "**Supplies**");
- the term of the Distribution Agreement commences on the Distribution Agreement Date and terminates on the date that is five calendar years following the Distribution Agreement Date and shall thereafter renew for additional successive 1-year terms unless HIMI provides notice of non-renewal (the "**Distribution Agreement Term**");
- in connection with the production of tobacco products under the Distribution Agreement, HIMI has permitted the Licensor to use HIMI's Molin Mark 8 cigarette machine and to use HIMI's trade-marks, service marks and trade names during the Distribution Agreement Term;
- on completion of the Distribution Agreement Term, the Licensor, will promptly upon demand by HIMI, return all Supplies in its possession which were provided to it by HIMI;
- the Licensor has permitted HIMI to use the Licensor's licenses, as required, in connection with the sale of tobacco products by HIMI under the Distribution Agreement throughout the world;
- HIMI shall solely establish resale or advertised prices of its tobacco products produced under the Distribution Agreement; and
- HIMI receives a gross profit of approximately \$75,000 for each full container of tobacco products sold.

HIMI intends to develop its own manufacturing operations for tobacco products. It intends to submit an application for a federal license to manufacture tobacco products in Canada, specifically

for its British Columbia operations, which it anticipates receiving approval for in 2019 (see Section 4.1 – “*Description of the Business*”). HIMI has also developed its own “Harry’s” brand and cigarette packaging design. It intends to sell and distribute tobacco products bearing this brand, initially under the Distribution Agreement and later upon its own manufactured tobacco products.

On December 22, 2017, HIMI acquired a MOLINS Mark 8 cigarette making machine that is capable of producing 12.4 cases of rolled tobacco cigarettes per hour (624 cartons per hour or 2,080 cigarettes per minute), for a purchase price of \$1,700,000. This machine is presently located on the premises owned by the Licensor and is used by the Licensor to produce rolled cigarettes under the Distribution Agreement.

HIMI has also entered into a verbal non-binding option-to-lease agreement with Nicolas Brusatore, regarding a one-acre premises located on the Agricultural Land Reserve in Abbotsford, British Columbia. HIMI intends to construct a 6,000 ft² manufacturing facility (the “**HIMI Facility**”) on the property. Under the proposed lease terms, Mr. Brusatore bears responsibility for construction of the HIMI Facility while HIMI is responsible for upgrades to the HIMI Facility and all safety and security requirements imposed by governmental authorities under applicable licensing requirements. Use of the property, including construction of the HIMI Facility, is subject to definitive agreements regarding the lease terms and receipt of all regulatory approvals from governmental authorities of HIMI’s ability to manufacture and distribution tobacco at that location. If HIMI does not enter into a definitive lease agreement, or if the required regulatory approvals are not granted, HIMI intends to find another suitable premises to commence its manufacturing and distribution operations.

3.2 Significant Acquisitions and Dispositions

Harrys

On January 22, 2018, Harrys entered into a definitive agreement with HIMI (the “**Share Exchange Agreement**”), to carry out the transaction initially announced on December 22, 2017, following the signing of the letter of intent between Harrys and HIMI. Pursuant to the Share Exchange Agreement, Harrys acquired all of the HIMI Shares in exchange for the issuance of Harrys Shares and the advancement of the Loan (as defined below), as further described below (the “**Acquisition**”). Completion of the Acquisition resulted in a fundamental change under the policies of the CSE.

In consideration for all of the issued securities of HIMI, the HIMI Shareholders received, on a pro rata basis, 28,500,100 Harrys Shares (“**Payment Shares**”) at a deemed price of \$0.35 per Harrys Share and on a 1:1 basis and Harrys advanced an interest-bearing loan in the aggregate principal amount of \$2,400,000 (of a total of up to \$2,500,000) at an annualized interest rate of five percent for a term of one year (the “**Loan**”). The Loan was secured by a general security agreement on all of HIMI’s personal property, present and future, tangible and intangible and intangible.

Michael Young was both an officer and director of Harrys and a shareholder of HIMI prior to the Acquisition, therefore, the Acquisition was a Related Party Transaction. The Issuer has scrutinized such Acquisition, in accordance with the provisions of the BCBCA and MI 61-101 and confirmed that the Acquisition is exempt from the provisions of MI 61-101. The Board of Directors,

excluding Mr. Young who abstained from voting on the matter, unanimously approved the Acquisition.

The Acquisition closed on October 4, 2018 (the “**Effective Date**”). On completion of the Acquisition, Harrys assumed the business of HIMI, being the sales and distribution of tobacco cigarettes (see Section 3.1 “*General Business*” – HIMI).

Conditions to Closing the Transaction

The Acquisition was subject to a number of approvals and conditions prior to its implementation, including, but not limited to the following:

- there shall be no action taken under any applicable law by any court or Government Authority that makes it illegal or restrains, enjoins or prohibits the Acquisition, results in the judgment or assessment of damages relating to the Acquisition that is materially adverse to Harrys or HIMI or that could reasonably be expected to impose any condition or restriction upon Harrys or HIMI which, after giving effect to the Acquisition, would so materially and adversely impact the economic or business benefits of the Acquisition as to render inadvisable the consummation of the Acquisition;
- there shall be no legislation (whether by statute, regulation, order-in-council, notice or ways and means motion, by-law or otherwise) enacted, introduced or tabled which, in the opinion of Harrys, acting reasonably, adversely affects or may adversely affect the Acquisition;
- the Closing Date shall be on or before the Termination Date;
- the conditional acceptance of the Acquisition for filing by the CSE;
- the approval of HIMI Shareholders for the Acquisition;
- the approval of a majority of the minority shareholders of Harrys of the Acquisition;
- the election and appointment of certain directors and officers of Harrys;
- all terms, covenants conditions set forth in the Share Exchange Agreement having been complied with or performed by or waived by the appropriate party; and
- the receipt of all necessary corporate, regulatory and third-party approvals including the approval of CSE, and compliance with all applicable regulatory requirements and conditions in connection with the Acquisition.

3.3 Trends, Commitments, Events or Uncertainties

Other than as described in Section 17 – *Risk Factors*, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on Harrys’ business, financial condition or results of operations.

4. NARRATIVE DESCRIPTION OF THE BUSINESS OF THE RESULTING ISSUER

4.1 Description of the Business

General

The principal business intended to be carried on by Harrys is the distribution of tobacco cigarettes to international customers.

Harrys has substantially the same business that HIMI had before the completion of the Acquisition. Harrys intends to pursue the milestones and stated business objectives set out below. Harrys financing strategy is to generate sufficient cash flow from its financing activities to pay ongoing operating costs and spend the total available funds as set out herein under the heading “Purpose of Funds”. (see Section 4 “Narrative Description of the Business”). Harrys anticipates it will generate sufficient cash flow from its financing and business activities to pay ongoing operating costs and intends to spend the total available funds as set out herein in Section 6.1 – “*Principal Use of Funds*”.

Business Objectives

In the 12 months following the completion of the Acquisition, Harrys intends to:

(a) *Continue Current Distribution – Phase I*

Harrys intends to continue to export tobacco cigarettes mainly to international customers, through HIMI, under the Distribution Agreement.

(b) *Procure Tobacco Manufacturing Licence – Phase II*

Harrys, through HIMI, intends to apply for approval of the licenses and permits necessary to begin production of tobacco cigarettes from British Columbia. Harrys intends to continue to work with the relevant government authorities to complete the application process for this licence. Until such time as Harrys receives the applicable licence, it will not be able to manufacture tobacco cigarettes in British Columbia.

(c) *Develop Manufacturing Business*

Harrys intends to continue its plans to manufacture tobacco products, which includes negotiating a definitive lease agreement, securing the HIMI Facility for manufacture and distribution, and receipt of all required regulatory consents, licences and approvals.

(d) *Manufacture Tobacco Products*

Harrys intends to manufacture white label and generic tobacco cigarettes for sale and distribution globally.

(e) *Enhance Management Team for Long-Term Growth*

As the operations and scope of Harrys expands, management will review and evaluate the potential for any roles and the types of individuals who may be required to join Harrys' team. Harrys envisions its strength of an already established team will result in only a few highly regarded individual additions.

(f) *Enhance Board of Directors and Advisory Board*

Harrys and HIMI are at the early stage of building a board of directors and advisory board. Management believes independent advice and experience is important to ensuring the long-term enhancement of shareholder value. Ideal candidates for the Board of Directors will be professionals with legal, accounting, regulatory, government affairs and experience manufacturing and distributing tobacco products.

Significant Events Milestones

The following table outlines how the Issuer will achieve the objectives enumerated above.

Milestone	Anticipated Cost	Timeline from date of Listing Statement
Enter definitive lease agreement for HIMI facility to be located in Abbotsford, BC, (or look for other site for a lease opportunity)	\$10,000	September 2018
File registered trademarks for "Harry's" mark, logo and packaging design	\$5,000	October 2018
Obtain necessary licences to manufacture and distribute tobacco products from Health Canada and other governmental authorities	\$50,000	September 2019
Complete construction of HIMI Facility	\$1,175,000	February 2019
Establish relationships with industry personnel	N/A	May 2019
Secure tobacco supply agreements for start-up material at new location	\$110,000	June 2019
Develop operational organizational structure and hire key personnel for operational execution of manufacturing and distribution activities	N/A	June 2019
Start selling Harrys manufactured tobacco products to clients	N/A	November 2019

Other than as described in this Listing Statement, there are no other significant events or milestones that must occur for the Issuer's business objectives to be accomplished. However, there is no guarantee that Harrys will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. Harrys may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above.

Total Funds Available

As at August 31, 2018 (the most recent month-end prior to the date of this Listing Statement), Harrys had a net working capital in the amount of \$1,526,273.85 (see below heading “*Purpose of Funds*” for Harrys’ pro forma working capital position). Harrys has historically relied upon equity financings and loans from directors to satisfy its capital requirements and will continue to depend upon equity capital to finance its growth activities.

The consolidated pro forma balance sheet of the Issuer, which gave effect to the Acquisition as if it had been completed on April 30, 2018 is attached hereto as Schedule A – *Pro Forma Financial Statements*.

Purpose of Funds

The pro forma working capital position of Harrys as at August 31, 2018, which gave effect to the Acquisition as if it had been completed on that date, was approximately \$1,931,000, which consists of \$1,526,000 from Harrys and \$405,000 from HIMI. The Issuer intends to use its funds over the next 12 months as described in the table below but such use will depend on its operating needs, the implementation of its strategic plan and any changes in the business environment.

Use of Available Funds	Amount, Assuming Completion of Acquisition
Equipment Upgrades & Customization	\$125,000 ⁽²⁾
Building Upgrades	\$725,000 ⁽²⁾
Site Security	\$325,000 ⁽²⁾
Tobacco Agreements Raw Materials	\$110,000
Administration Costs, Licenses, etc...	\$65,000
Product Research & Development	\$350,000
Unallocated Working Capital	\$231,000
Total	\$1,931,000 ⁽¹⁾

Note:

- (1) The available funds do not include any potential revenue generated over the next 12 months.

All future expenditures noted above in note (2) are related to Harrys desire to own and operate its own manufacturing facility. Once a property lease has been secured for proposed operations, Harrys will proceed with the construction of a building, installing all security protocols and any necessary upgrades to secure its federal tobacco manufacturing license. However, until then Harrys will continue to distribute and sell its tobacco products to generate revenues.

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that Harrys spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified below, and will depend on a number of factors, including those referred to under Section 17 - *Risk Factors*. However, it is anticipated that the available funds will be sufficient to satisfy Harrys’ objectives over the next 12 months.

Principal Products or Services

Harrys intends to continue to distribute tobacco cigarettes, through its operating entity HIMI, to mainly international clients under the Distribution Agreement. Upon obtaining a federal tobacco license Harrys plans to manufacture white label and generic tobacco cigarettes, through HIMI, for sale and distribution to mainly markets outside of Canada and the United States. Harrys anticipates that it will continue to export as it expands production capacity. Although HIMI will make commercially reasonable efforts to anticipate and effectively manage the risks associated with foreign operations, there is no assurance that these and other factors will not have a material adverse effect on the HIMI's operations or its business, financial condition or results of operations as a whole (see 17.2 – "*Tobacco Industry Risk Factors – Foreign Operations and Risks Associated with Foreign Operations*").

HIMI currently sells products to its existing customer base its management developed over the past 7 years. Sales are based on customer demand. Harrys intends to acquire new customers through licencing agreements with overseas wholesalers and distributors.

HIMI typically requires a 50% down payment for each new purchase order. An additional deposit is required at time of shipping and final payment is required once the products have arrived and been inspected. For certain existing customers HIMI at management's discretion may allow more favorable terms.

From February, 2010 to January, 2017, management of HIMI owned and operated Harrys Tobacco Inc., a Tobacco manufacturing company that operated in Dubai, United Arab Emirates. During this period HIMI management developed specialized skills in tobacco packaging operations including, manufacturing various tobacco blends, customizing packaging and labeling and establishing ongoing relationships with many global customers. In addition, HIMI management signed manufacturing agreements with other tobacco companies wishing to outsource their products to fulfil demands for packaging and delivering cigarettes to their overseas customers while utilizing their labeling. As a result, management of HIMI, who have become management of Harrys following the Closing, have extensive experience in the manufacturing, sales and distribution of tobacco products.

HIMI does not have a formal social or environmental policy at this time, however, federally licensed manufactures must comply with all requirements to conform to Health Canada guidelines and maintain their federal tobacco licence (see 17.2 – "*Tobacco Industry Risk Factors – Licensing Requirements*").

Production and Sales

On January 2, 2018, HIMI entered into the Distribution Agreement with the Licensor. At April 30, 2018 Q3 HIMI has completed its first sales orders for six container loads of rolled cigarettes, or approximately 5,834 cases, for total gross sales of \$437,550 CAD.

Employees

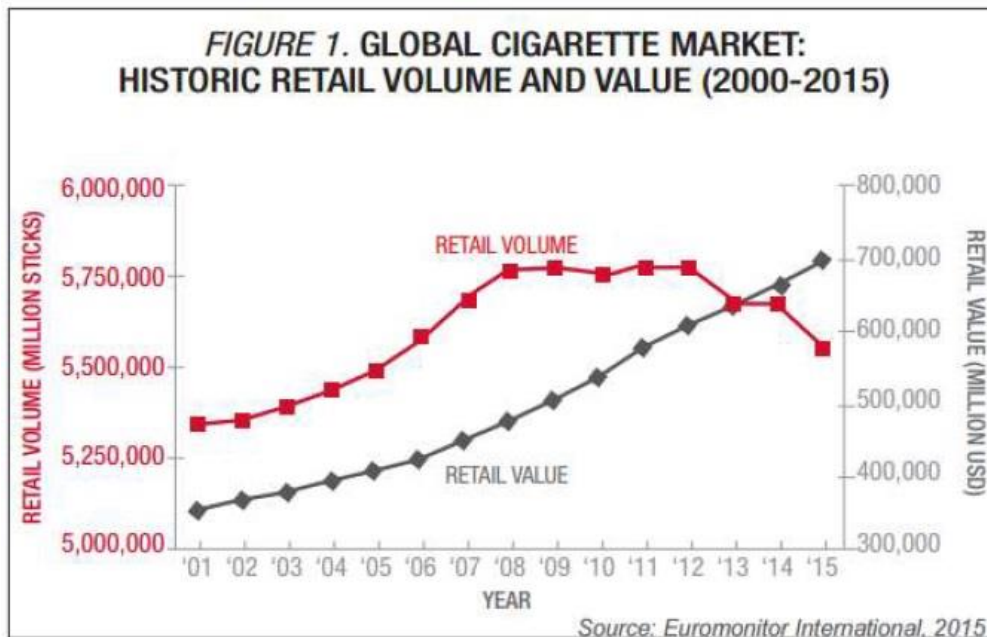
Following Closing of the Acquisition, the Issuer's staff will consist of seven employees including full and part time employees and one consultant.

The Issuer's business will require specialized skills and knowledge of the cigarette and tobacco industry. Management of the Issuer is composed of certain individuals who have extensive expertise in this industry and are complemented by the board of directors of the Issuer (see Section 13.8 – *Management*). The Issuer's future success will depend, in part, on its ability to continue to attract, retain and motivate highly qualified technical and management personnel, for whom competition is intense.

Competitive Conditions and Position

International Market

In 2015, cigarette retail values globally were US\$698.54 billion, representing the sale of over 5.5 trillion cigarettes.¹ Industry analysts predict that over the next five years the global cigarette industry will continue to grow, with the retail value increasing by 37.3% as global volume sales decline by 4.8%, represented in the following diagram:



¹ Euromonitor International [database on the Internet]. Cigarettes: Global. Euromonitor International; c 2016

Canadian Market

According to data from IBISWorld, mainstream, discount and deep discount cigarettes represent almost 64% of the Canadian market. The cigarette industry in Canada generated approximately \$1.7 billion in revenues in 2016². In the United States, cigarette volume sales, the most significant tobacco category in the U.S., were flat in 2015, discontinuing a decade-long trend of annual declines³.

Competition

While four large companies – including Imperial Tobacco Limited and Rothmans, Benson & Hedges – control a majority of the branded cigarette market worldwide, there remain opportunities to provide lower cost, unbranded, unpackaged cigarettes to licensed wholesalers in international markets.

See also Section 17 – “*Risk Factors – Competition*”.

Lending and Investment Policies and Restrictions

This is not applicable to the Issuer.

4.2 Bankruptcy and Receivership

Harrys has not been the subject of any bankruptcy or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by Harrys or any of its subsidiaries, within the three most recently completed financial years or the current financial year.

4.3 Material Restructuring

Except for the Acquisition, Harrys has not been subject to any material restructuring transaction within the three most recently completed financial years nor has Harrys proposed any material restructuring transaction for the current financial year, other than the Acquisition or as disclosed below.

Harrys was incorporated on April 30, 2007 under the BCBCA. Harrys’ Shares commenced trading on the TSX-V on May 4, 2010. On July 19, 2016, the Harrys Shares transitioned to the NEX Board of the TSX-V as Harrys did not maintain the requirements for a Tier 2 Company as per the policies of the TSX-V. The Harrys Shares began trading on the NEX Board under the symbol “WST.H”.

On October 17, 2017, the Harrys Shares delisted from the NEX Board of the TSX-V concurrent with the listing of the Harrys Shares on the CSE under the symbol “WST”.

² IBISWorld Industry Report 31222CA - Cigarette & Tobacco Manufacturing in Canada (September 2016)

³ Euromonitor – Tobacco in the U.S. (August 2016)

4.4 Asset Backed Securities

Harrys does not have asset backed securities.

4.5 Companies with Mineral Projects

No longer applicable to Harrys.

4.6 Companies with Oil and Gas Operations

Harrys does not have any oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

Harrys

The following table summarizes financial information of Harrys for the last three completed financial years ended July 31, 2017, 2016 and 2015 and the 9 month period ended April 30, 2018. This summary financial information should only be read in conjunction with the Harrys Audited Annual Financial Statements and the Harrys Unaudited Interim Financial Statements, including the notes thereto. See Section 25 – *Financial Statements*.

	For the nine month period ended	For the Year Ended July 31,		
Operating Data:	April 30, 2018	2017	2016	2015
Total revenues	Nil	Nil	Nil	Nil
Total G&A expenses	645,785	754,514	68,149	110,728
Net loss for the period	(662,333)	(754,514)	(68,149)	(140,125)
Basic and diluted loss per share ⁽¹⁾	(0.02)	(0.03)	(0.00)	(0.00)
Dividends	Nil	Nil	Nil	Nil
Balance Sheet Data:				
Total assets	4,080,240	253,644	2,050	1,240
Total long-term liabilities	Nil	Nil	Nil	Nil

Note:

(1) Basic and diluted loss per share has been calculated using the weighted average number of shares outstanding.

HIMI

The following table summarizes financial information of HIMI for the completed financial year ended July 31, 2017 and the nine month period ended April 30, 2018. This summary financial information should only be read in conjunction with the HIMI Financial Statements. See Section 25 – *Financial Statements*.

	For the nine month period ended	For the Year Ended July 31, 2017
Operating Data:	April 30, 2018	
Total revenues	437,550	Nil
Total G&A expenses	575,250	254,086
Net loss for the period	(139,400)	254,086
Basic and diluted loss per share	(0.01)	(2,541)
Dividends	Nil	Nil
Balance Sheet Data:		
Total assets	2,430,413	92
Total long-term liabilities	Nil	Nil

5.2 Quarterly Information

Harrys

The summary of quarterly results for each of the eight most recently completed quarters preceding the date of this Listing Statement:

Summary of quarterly results	Q3 2018 \$	Q2 2018 \$	Q1 2018 \$	Q4 2017 \$	Q3 2017 \$	Q2 2017 \$	Q1 2017 \$	Q4 2016 \$
Total assets	4,080,240	4,173,848	231,384	253,2644	262,078	152,454	2,172	2,050
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	(94,434)	(370,292)	(197,607)	(754,514)	(294,519)	(292,097)	(18,063)	(33,147)
Loss per share (1)(2)	(0.00)	(0.01)	(0.03)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)

Copies of the respective unaudited interim financial statements for the periods listed above for *Harrys* are available on *Harrys*' SEDAR profile at www.sedar.com

HIMI

Summary of quarterly results	Q3 2018 \$	Q2 2018 \$	Q1 2018 \$	Q4 2017 \$	Q3 2017 \$	Q2 2017 \$
Total assets	2,430,413	2,459,914	20,221	92	31,196	7,799
Revenues	437,550	Nil	Nil	Nil	Nil	Nil

Net loss and comprehensive loss	(6,285)	(25,321)	(107,794)	(70,615)	(146,777)	(36,694)
Loss per share (1)(2)	(0.00)	(0.00)	(1,077.94)	(706.15)	(1,467.77)	(366.94)

5.3 Dividends

Harrys

Harrys paid no dividends since its inception on April 30, 2007. Harrys intends to retain any earnings to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

HIMI

HIMI paid no dividends since its inception on November 29, 2016. HIMI intends to retain any earnings to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

5.4 Foreign GAAP

Harrys is not presenting financial information on the basis of foreign GAAP.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Harrys

A copy of the Harrys Annual MD&A related to the Harrys Audited Annual Financial Statements and a copy of the Harrys Interim MD&A related to the Harrys Unaudited Interim Financial Statements previously filed with applicable securities commissions is available through the Internet under Harrys' SEDAR profile at www.sedar.com.

7. MARKET FOR SECURITIES

Harrys

The common shares of Harrys are listed and posted for trading on the CSE under symbol "HARY".

8. CAPITALIZATION

8.1 Consolidated Capitalization

Harrys has 77,816,358 Harrys Shares, 11,926,715 Harrys Warrants and 2,490,000 Harrys Options issued and outstanding.

9. OPTIONS TO PURCHASE SECURITIES

9.1 Description of the Stock Option Plan

Harrys

The Board is responsible for administering compensation policies related to Harrys' executive management, including with respect to option-based awards. Harrys has in place, a 10% rolling share option plan dated for reference October 27, 2017 (the "**Harrys Option Plan**") pursuant to which the Board can grant stock options to directors, officers, employees, management and others who provide services to Harrys ("**Harrys Options**"). The Harrys Option Plan provides compensation to participants and an additional incentive to work toward long-term Company performance.

The Board has not proceeded with a formal evaluation of the implications of the risks associated with Harrys' compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation program, and the Board does not believe that Harrys' compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on Harrys.

The Harrys Option Plan is subject to the following restrictions:

- (a) Harrys must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12 month period that exceeds 5% of the outstanding common shares, unless Harrys has obtained disinterested shareholder approval;
- (b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12 month period must not exceed 2% of the outstanding common shares calculated at the date of the grant;
- (c) Harrys must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding common shares calculated at the date of grant of the option;
- (d) The aggregate number of common shares reserved for issuance under options granted to Insiders must not exceed 10% of the outstanding common shares unless Harrys has obtained Disinterested Shareholder Approval to do so;
- (e) The aggregate number of common shares reserved for issuance to any one Optionee under options granted to Insiders must not exceed 5% of the outstanding common shares unless Harrys has obtained Disinterested Shareholder Approval to do so;
- (f) The number of Optioned Shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares unless Harrys has obtained Disinterested Shareholder Approval to do so;

- (g) The issuance to any one Optionee within a 12 month period of a number of common shares must not exceed 5% of outstanding common shares unless Harrys has obtained Disinterested Shareholder Approval to do so; and
- (h) The exercise price of an option previously granted to an Insider must not be reduced.

The following is a summary of the material terms of the Harrys Option Plan:

- (a) Persons who are Service Providers to Harrys or its affiliates, or who are providing services to Harrys or its affiliates, are eligible to receive grants of options under the Harrys Option Plan;
- (b) Options granted under the Harrys Option Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
- (c) For options granted to Service Providers, Harrys must ensure that the proposed Optionee is a bona fide Service Provider of Harrys or its affiliates;
- (d) An Option granted to any Service Provider will expire within 30 or 90 days, such timing depending on the services provided, (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to Harrys, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to Harrys;
- (e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will be the greater of the Market Value of the shares on (i) the day immediately preceding the Grant Date and (ii) the Grant Date;
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to Harrys or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by Harrys or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of Harrys or its affiliates during the vesting period; and

- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Harrys Option Plan with respect to all Harrys Option Plan shares in respect of options which have not yet been granted under the Harrys Option Plan, so long as compliant with CSE policy.

The following table summarizes the options, granted under the Harrys Option Plan, outstanding as of October 4, 2018:

Group	No. of Options	Securities under Option	Grant Date	Expiry Date	Exercise Price per Common Share \$	Market Value of the Common Shares on the Date of Grant \$	Market Value of the Company Shares as of the date hereof ⁽¹⁾
Directors	275,000	275,000	January 16, 2017	January 16, 2022	0.10	0.10	\$0.60
Directors	200,000	200,000	January 27, 2017	January 27, 2022	0.25	0.25	\$0.60
Directors	375,000	375,000	October 20, 2017	October 20, 2022	0.35	0.35	\$0.60
Consultants	240,000	240,000	January 17, 2017	January 17, 2022	0.17	0.17	\$0.60
Consultants	500,000	500,000	January 18, 2017	January 18, 2022	0.25	0.25	\$0.60
Consultants	300,000	300,000	February 3, 2017	February 3, 2022	0.30	0.30	\$0.60
Consultants	500,000	500,000	February 6, 2017	February 6, 2022	0.37	0.37	\$0.60
Consultants	100,000	100,000	December 4, 2017	December 4, 2022	0.43	0.43	\$0.60
TOTAL	2,490,000	2,490,000					

Note:

- (1) Market value of the Harrys Shares of \$0.60 based on price of the Harrys Shares as of the date of the trading halt (being January 22, 2018).

10. DESCRIPTION OF THE SECURITIES

10.1 General

Harrys

Harrys is authorized to issue an unlimited number of Harrys Shares. There are no special rights or restrictions attached the Harrys' Shares. Harrys Shareholders are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Harrys and each Harrys Share shall confer the right to one vote in person or by proxy at all meetings of the Harrys Shareholders. The Harrys Shareholders, subject to the prior rights, if any, of any other class of shares of Harrys, are entitled to receive such dividends in any financial year as the Harrys Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Harrys, whether voluntary or involuntary, the Harrys Shareholders are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Harrys, the remaining property and assets of Harrys.

Harrys is also authorized to issue an unlimited number of preferred shares. The preferred shares are non-voting participating shares. There were no preferred shares issued and outstanding as at the date hereof.

10.2 Debt Securities

Harrys has no debt securities.

10.3 Prior Sales

Harrys

For the 12-month period prior to the date of this document, the following securities of Harrys were sold:

Non-brokered private placement of 11,244,737 units at a price of \$0.35 per unit for gross proceeds of \$4,028,407.95 on January 12, 2018. Each unit consists of one Harrys Share and one Harrys Warrant with each Harrys Warrant entitling the holder to acquire on additional Harrys Share at a price of \$0.50 per Harrys Share for two years from the date of issuance.

Non-brokered private placement of 400,000 units at a price of \$0.25 per unit for gross proceeds of \$100,000 on June 5, 2017. Each unit consists of one Harrys Share and one Harrys Warrant with each Harrys Warrant entitling the holder to acquire one additional Harrys Share at a price of \$0.35 per Harrys share until June 5, 2018.

Non-brokered private placement of 1,400,000 units at a price of \$0.25 per unit for gross proceeds of \$350,000 on February 3, 2017. Each unit consists of one Harrys Share and one Harrys Warrant with each Harrys Warrant entitling the holder to acquire one additional Harrys share at a price of \$0.35 per Harrys share until February 6, 2018.

Non-brokered private placement of 400,000 units at a price of \$0.05 per unit for gross proceeds of \$20,000 on January 13, 2017. Each unit consists of one Harrys Share and one Harrys Warrant with each Harrys Warrant entitling the holder to acquire one additional Harrys Share at a price of \$0.10 per Harrys share until January 13, 2018.

On July 19, 2016, the Harrys Shares transitioned to the NEX Board of the TSX-V Exchange because Harrys has not maintained the requirements for a Tier 2 Company under the policies of the TSX Venture Exchange. Harrys' common shares were then listed for trading under symbol "WST.H" on the NEX Board.

On October 17, 2017, the Harrys Shares delisted from the NEX Board of the TSX-V concurrent with the listing of the Harrys Shares on the CSE under the symbol "WST".

The following table sets out the price ranges and volume traded or quoted on the CSE for the common shares of Harrys for the period prior to the date of this Listing Application:

CSE	High	Low	Volume
May, 2018	.60	.60	0
April, 2018	.60	.60	0
March, 2018	.60	.60	0
February, 2018	.60	.60	0
January, 2018	.60	.49	190,000
December 2017	0.80	0.40	7,772,161
November 2017	0.45	0.31	4,295,895
October 17-October 31, 2017	0.38	0.28	3,282,135

HIMI

For the 12-month period prior to the date of this Listing Statement, the following securities of Harrys were sold:

- Non-brokered private placement of 16,500,000 common shares of HIMI at a price of \$0.005 per unit for gross proceeds of \$82,500 on November 30, 2017.
- Non-brokered private placement of 12,000,000 common shares of HIMI at a price of \$0.02 per unit for gross proceeds of \$240,000 on December 12, 2017.

11. ESCROWED AND POOLED SECURITIES

11.1 Escrowed Securities

As required under the policies of the CSE, Principals of the Issuer will enter into an escrow agreement as if the company was subject to the requirements of NP 46-201. Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released

upon completion of the Acquisition followed by six subsequent releases of 15% each every six months thereafter. The form of the escrow agreement must be as provided in NP 46-201.

The table below includes the details of escrowed securities that will be held by Principals of the Issuer upon the completion of the Acquisition:

Name of Securityholder	Designation of Class Held in Escrow	Number of Securities Held in Escrow	Percentage of Class
Kevin Edward Francis Kohanik	Common Shares	8,166,698.66	10.49% ⁽¹⁾
Ashley Francis Harry	Common Shares	8,166,698.67	10.49% ⁽¹⁾
Harinder Singh Dhesi	Common Shares	8,166,698.67	10.49% ⁽¹⁾
Gold Medal Performance Corp. ⁽²⁾	Common Shares	1,040,000	1.29% ⁽¹⁾
Michael Young ⁽³⁾	Common Shares	40,000	0.05% ⁽¹⁾

Notes:

- (1) The total issued and outstanding Harrys Shares is 77,816,358.
- (2) Gold Medal Performance Corp. is a company controlled by Michael Young, CFO and Director of Harrys.
- (3) Michael Young is the beneficial holder of an aggregate of 1,395,000 escrowed securities (1,080,000 Issuer Shares).

The Issuer also has voluntary escrow agreements in the form provided in NP 46-201. Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released upon completion of the Acquisition followed by six subsequent releases of 15% each every six months thereafter.

Name of Securityholder	Designation of Class Held in Escrow	Number of Securities Held in Escrow	Percentage of Class
Glenn Allen Soderberg	Common Shares	500,002	0.64% ⁽¹⁾
Aboriginal Import Export Ltd.	Common Shares	2,000,000	2.57% ⁽¹⁾
Larry Marsall	Common Shares	250,000	0.32% ⁽¹⁾
Rob Gerling	Common Shares	250,000	0.32% ⁽¹⁾

12. PRINCIPAL SHAREHOLDERS

The following shareholders beneficially and of record, own more than 10% of Harrys Shares following Closing:

Name	Number of Resulting Issuer Shares Held ⁽¹⁾	Percentage of class
Kevin Edward Francis Kohanik	8,166,698.66	10.5% ⁽¹⁾
Ashley Francis Harry	8,166,699.67	10.5% ⁽¹⁾

Name	Number of Resulting Issuer Shares Held ⁽¹⁾	Percentage of class
Harinder Singh Dhesi	8,166,699.67	10.5% ⁽¹⁾

Notes:

(1) The percentage of the class on a fully diluted basis is 9.45%.

13. DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

13.1 General

The board of directors of Harrys following Closing will be composed of five members, as set out below.

The name, municipality of residence, position or office held with Harrys and principal occupation of each proposed director and executive officer of Harrys, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, following the successful completion of the Merger, excluding common shares issued on the exercise of convertible securities, are as follows:

Name, place of the residence and position with Issuer	Principal occupation during the last five years	Date of appointment as director or officer	Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transaction ⁽¹⁾
Michael L. Young ⁽²⁾⁽⁵⁾ CFO, Corporate Secretary and Director British Columbia, Canada	CFO of Harrys and Green 2 Blue Energy Corp. From 2011 to 2015, he was President, CFO & Director of DraftTeam Fantasy Sports Inc.	Director and Officer since January 16, 2017	1,080,000 (1.39%)
William Joseph Radvak ⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾ Director British Columbia, Canada	Mining Engineer, President, CEO and a director of both American Vanadium Corp. and Regency Gold Corp. and founder and CEO of Response Biomedical Corp.	Director since December 10, 2014	698,500 (0.90%)
Henry Chow ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾ Director British Columbia, Canada	Chartered Professional Accountant and Partner at Saturna Group Chartered	Director since Sept 19, 2017	0

	Professional Accountants LLP		
Kevin Kohanik ⁽⁶⁾⁽⁷⁾ Director, CEO and President British Columbia, Canada	President and Director of Operations of Harrys Tobacco	Director since October 4, 2018	8,166,698.66 (10.5%)
Harinder Dhesi Director, Vice President of Corporate Development British Columbia, Canada	Vice-President and Director of Harrys Tobacco	Director since October 4, 2018	8,166,698.67 (10.5%)

Notes:

- (1) The information as to principal occupation, business or employment and Harrys Shares beneficially owned or controlled is not within the knowledge of the management of Harrys and has been furnished by the respective nominees.
- (2) Mr. Young currently holds 275,000 stock options exercisable until January 16, 2022, at an exercise price of \$0.10, 175,000 stock options exercisable until October 20, 2022 at an exercise price of \$0.35. Mr. Young currently holds 40,000 Issuer Shares and Gold Medal Performance Corp., a Company controlled by Mr. Young, currently holds 1,040,000 Issuer Shares and 40,000 warrants exercisable until December 19, 2019 at a warrant exercise price of \$0.50.
- (3) Mr. Radvak currently holds 100,000 stock options exercisable until January 27, 2022, at an exercise price of \$0.25.
- (4) Mr. Chow currently holds 100,000 stock options exercisable until October 20, 2022, at an exercise price of \$0.35.
- (5) Member of Audit Committee.
- (6) Member of the Compensation Committee.
- (7) Member of the Corporate Governance Committee

As of the date of this document, the directors and executive officers of the Issuer beneficially owned, directly or indirectly, as a group, 18,211,897 common shares of Harrys representing approximately 23.4% of all outstanding voting securities of Harrys.

13.2 Board Committees

Harrys will have three committees: the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

The Audit Committee of Harrys will consist of the following members:

Henry Chow	Independent Member
Michael Young	Non-Independent Member
William Radvak	Independent Member

The Compensation Committee and the Corporate Governance Committee of Harrys will consist of the following members:

Henry Chow	Independent Member
Kevin Kohanik	Non- Independent Member
William Radvak	Independent Member

13.3 Cease Trade Orders or Bankruptcies

No current or proposed director or officer of Harrys, or a security holder anticipated to hold sufficient securities of Harrys to affect materially the control of Harrys, nor any personal holding company of any such person is, or has, within the 10 years prior to the date of this document: (a) been the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; (b) been subject to an event that resulted, after the director or officer ceased to be a director or executive officer of such company, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; (c) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets or (d) within a year of the director or officer ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.4 Penalties or Sanctions

No current or proposed director, officer or promoter of Harrys, or a security holder anticipated to hold sufficient securities of Harrys to affect materially the control of Harrys, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.5 Settlement Agreements

Not Applicable

13.6 Personal Bankruptcies

No current or proposed director or officer of Harrys, or a security holder anticipated to hold sufficient securities of Harrys to affect materially the control of Harrys, nor any personal holding company of any such person is, or has, within the 10 years prior to the date of this document, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

13.7 Conflicts of Interest

The current or proposed directors of the Issuer are bound by the provisions of the *Business Corporations Act* (British Columbia) to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Issuer's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, director, officer or other member of management except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

13.8 Management

Kevin Kohanik – President, CEO and Director, Age 48

Mr. Kohanik brings over seven years of experience in the tobacco industry, having served as the President and Director of Operations of Harrys Tobacco since its formation in 2010. Over the past seven years, Harrys Tobacco had grown production to over 60,000 cases of cigarettes and revenues of approximately \$8.0 million (2016). Harrys Tobacco had its head office in Canada, but manufactured its cigarettes in Dubai and distributed throughout the UAE, Vietnam, Turkey, Costa Rica and several African nations.

Mr. Kohanik currently has no relationship with Harrys Tobacco Inc. as this company operated from February 2010 until it ceased operations in January 2017. During his time at Harrys tobacco Inc., Mr. Kohanik developed specialized skills in all facets of plant operations, including manufacturing an average of 1500 cases per month, customizing packaging, labelling and design, as well as marketing, sales & distribution globally. Through this process Mr. Kohanik gained extensive knowledge regarding tobacco labelling and packaging regulatory requirements as they pertain to selling tobacco products into foreign countries and jurisdictions.

Mr. Kohanik devotes 100% of his time to Harrys. Upon completion of the acquisition, Mr. Dhese will enter into a non-competition agreement and non-disclosure agreement as part of his employment agreement with Harrys.

Michael L. Young – CFO, Corporate Secretary and Director, Age 55

Mr. Young has over 25 years of extensive business experience in all facets of corporate development, senior management, sales, marketing, finance and operations, in both the private and public sectors. His experience includes spearheading growth strategies, financial reporting, quarterly and annual budgets, overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Young is a Graduate of the Certified Financial Planning (CFP) Program and has been Chief Financial Officer and a director of Green 2 Blue Energy Corp. since August 2015, a renewable energy company focused on low-cost wood pellet production through the integration of biomass gasification technology. From 2011 to 2015,

he was President, CFO & Director of DraftTeam Fantasy Sports Inc. a digital entertainment company focused on daily fantasy sports and social gaming.

Mr. Young commits 60% of his time based on a 52 hour work week to the business of Harrys. Mr. Young's company Gold Medal Performance Corp. entered into a consulting agreement with Harrys on January 16, 2017 for \$10,000 plus GST per month. As part of Mr. Young's consulting agreement, Mr. Young entered into a non-disclosure agreement and non-competition agreement with Harrys.

Harinder Dhesi – Vice President of Corporate Development, Age 39

Mr. Dhesi is an entrepreneur who brings to Harrys extensive experience in building and selling successful businesses. He is also one of the founders of Harrys Tobacco, where he assisted Harrys Tobacco in building distribution in the UAE through his personal and business connections.

Mr. Dhesi devotes 100% of his time to Harrys. Upon completion of the acquisition, Mr. Dhesi will enter into a non-competition agreement and non-disclosure agreement as part of his employment agreement with Harrys.

William Radvak – Director, Age 55

William Radvak, BASc, has been the CEO and director of numerous start-up companies over the past 30 years. He was a Founder and CEO of Response Biomedical Corp., a publicly listed medical device company. Mr. Radvak led Response Biomedical Corp. from inception to become a 100+ employee, sales and manufacturing company. Mr. Radvak received a degree in mining engineering from the University of British Columbia.

Mr. Radvak has not entered into a non-disclosure or a non-competition agreement with Harrys.

Henry Chow – Director, Age 40

Henry Chow brings extensive experience in the areas of financial management, public company accounting, financial reporting, compliance, risk management, and planning. He graduated from the University of British Columbia in 2000 with a Bachelor of Commerce degree. Mr. Chow articulated with Klynveld Peat Marwick Goerdeler (KPMG) LLP in Vancouver, Canada, and obtained his Chartered Professional Accountant (CPA, CA) designation in 2003. Since 2008, Mr. Chow has been a founding partner at Saturna Group Chartered Professional Accountants LLP, a public practice accounting firm specializing in audit, financial statement preparation, and consulting for public companies in Canada and the United States. He is also an Executive Director with INCUB8, a Vancouver-based private company that provides professional and strategic management for start-up and emerging companies.

Mr. Chow has not entered into a non-disclosure or non-competition agreement with Harrys.

14. CAPITALIZATION

14.1 Issued Capital

As at February 16, 2018	<u>Number of Securities (non- diluted)</u>	<u>Number of Securities (fully- diluted)</u>	<u>% of Issued (non- diluted)</u>	<u>% of Issued (fully diluted)</u>
Public Float				
Total outstanding (A)	77,816,358	96,983,073	100.00%	100.00%
Held by Related Persons or employees of Harrys or Related Person of Harrys, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in Harrys (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in Harrys upon exercise or conversion of other securities held) (B)	26,378,598	30,618,598	33.90%	31.57%
Total Public Float (A-B)	51,437,760	66,364,475	66.10%	66.38%
Freely-Tradeable Float				
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	0%	0%
Total Tradable Float (A-C)	77,816,358	96,983,073	100.00%	100.00%

Public Security holders (Registered)

For the purposes of the following table, “public securityholders” are persons other than persons enumerated in section (B) of the Issued Capital table and only registered holders are listed.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0

Size of Holding	Number of holders	Total number of securities
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	64	13,044,657
Total	64	13,044,657

Public Securityholders (Beneficial)

For the purposes of the following table, "public securityholders (beneficial)" include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary; but does not include "non-public securityholders" being those persons enumerated in section (B) of the above Issued Capital table.

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	7	287
100 – 499 securities	23	6,733
500 – 999 securities	30	19,518
1,000 – 1,999 securities	51	64,810
2,000 – 2,999 securities	48	108,622
3,000 – 3,999 securities	26	83,735
4,000 – 4,999 securities	24	102,846
5,000 or more securities	599	23,738,544
Total	808	24,125,095

Non-Public Securityholders (Registered)

For the purposes of this table, "non-public securityholders" are persons enumerated in section (B) of the above Issued Capital table.

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0

Size of Holding	Number of holders	Total number of securities
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	6	25,378,597
Total	6	25,378,597

14.2 Convertible/Exchangeable Securities

As at the date of this Listing Statement, Harrys Warrants and Harrys Options issued and outstanding are as follows:

Description of Security	Date of Expiry	Exercise Price \$	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Options	January 16, 2022	\$0.10	275,000	275,000
	January 17, 2022	\$0.17	240,000	240,000
	January 18, 2022	\$0.25	500,000	500,000
	January 27, 2022	\$0.25	200,000	200,000
	February 3, 2022	\$0.30	300,000	300,000
	February 6, 2022	\$0.37	500,000	500,000
	October 20, 2022	\$0.35	375,000	375,000
	Dec 4, 2022	\$0.43	100,000	100,000
Total Options:			2,490,000	2,490,000
Warrants				
	Dec 4, 2019	\$0.35	3,328,738	3,328,738
	Dec 19, 2019	\$0.35	6,664,197	6,664,197
	January 12, 2020	\$0.50	1,933,780	1,933,780
Total Warrants			11,926,715	11,926,715

14.3 Other Listed Securities

Other than the Harrys Shares available for issuance under the Harrys Option Plan (as further described in Section 9 – “Options to Purchase Securities”) there are no listed securities reserved for issuance that are not included in Section 14.2 – “Convertible/Exchangeable Securities”.

15. EXECUTIVE COMPENSATION

15.1 Statement of Executive Compensation

In this section “**Named Executive Officer**” means (a) the Chief Executive Officer (or an individual who acted in a similar capacity) (the “**CEO**”), (b) the Chief Financial Officer (or an individual who acted in a similar capacity) (the “**CFO**”), (c) each of Harrys’ three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed \$150,000), and (d) each individual who would be an 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 that financial year.

The Named Executive Officers (the “**NEOs**”) of Harrys for the purposes of the below information are: Michael L. Young, President and Chief Executive Officer, Christopher Cooper, Chief Financial Officer and director and former President and Chief Executive Officer, Andrew R. Cheshire, former President and Chief Executive Officer, Daryn Gordon, former Chief Financial Officer and Corporate Secretary and Mike K. Veldhuis, former Corporate Secretary and director.

The NEOs during financial year ended July 31, 2015 were: Christopher Cooper, President, CEO and director, Andrew R. Cheshire, President and Chief Executive Officer and director and Daryn Gordon, Chief Financial Officer and Mike K. Veldhuis, Corporate Secretary and director.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Compensation Discussion and Analysis

The current members of Harrys’ Compensation Committee are: Michael L. Young (Chair), William Radvak and Christopher Cooper.

Harrys’ compensation policies and programs are designed to be competitive with similar companies and to recognize and reward executive performance consistent with the success of Harrys’ business. These policies and programs are intended to attract and retain capable and experienced people. The Compensation Committee’s role and philosophy is to ensure that Harrys’ compensation goals and objectives, as applied to the actual compensation paid to Harrys’ CEO and other executive officers, are aligned with Harrys’ overall business objectives and with shareholder interests.

In addition to industry comparables, the Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of Harrys and its shareholders, overall financial and operating performance of Harrys and the Compensation Committee’s assessment of each executive’s individual performance and contribution toward meeting corporate objectives.

The function of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to the compensation practices of the executive officers of the Compensation Committee. The Committee has been empowered to review the compensation levels of the executive officers of Harrys and to report thereon to the Board to review the strategic objectives of the share option

plan and other stock-based compensation plans of Harrys and to set stock based compensation; and to consider any other matters which, in the Committee's judgment, should be taken into account in reaching the recommendation to the Board concerning the compensation levels of Harrys' executive officers.

The Compensation Committee has assessed Harrys' compensation plans and programs for its executive officers to ensure alignment with Harrys' business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on Harrys. The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Harrys has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of Harrys, none of the executive officers or directors have purchased such financial instruments.

Base Salary or Consulting Fees

Base salary ranges for executive officers were initially determined upon a review of companies within the tobacco and manufacturing industry, which were of the same size as Harrys, at the same stage of development as Harrys and considered comparable to Harrys.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) The particular responsibilities related to the position;
- (b) Salaries paid by other companies in the manufacturing industry which were similar in size as Harrys;
- (c) The experience level of the executive officer;
- (d) The amount of time and commitment which the executive officer devotes to Harrys; and
- (e) The executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Incentive Compensation

Harrys' objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon Harrys meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Compensation Committee. Such recommendations are generally based on information provided by issuers that are similar in size and scope to Harrys' operations.

Equity Participation

Harrys believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through Harrys' share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the the Compensation Committee. Due to Harrys' limited financial resources, Harrys emphasises the provisions of option grants to maintain executive motivation.

Actions, Decisions or Policy Changes

Given the evolving nature of Harrys' business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Risks Associated with Harrys' Compensation Practices

Harrys' directors have not considered the implications of any risks to Harrys associated with decisions regarding Harrys' compensation program. Harrys intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with Harrys' compensation program and how it might mitigate those risks.

Benefits and Perquisites

Harrys does not, as of the date hereof, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

Hedging by Named Executive Officers or Directors

Harrys has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date hereof, entitlement to grants of incentive stock options under Harrys' Stock Option Plan is the only equity security element awarded by Harrys to its executive officers and directors (see "*Option to Purchase Securities – Description of the Stock Option Plan*").

Option-Based Awards

Harrys has a share option plan in place dated for reference October 27, 2017, wherein an aggregate of 10% of the issued and outstanding Common Shares at the time an option is granted, less any outstanding options, are available for issuance to eligible optionees. The share option plan was established to provide incentive to qualified parties to increase their proprietary interest in Harrys and thereby encourage their continuing association with Harrys. Management proposes stock option grants to the board of directors based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the board of directors. The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of Harrys or a subsidiary of Harrys.

Summary Compensation Table

The compensation paid to the NEOs during Harrys' three most recently completed financial years of July 31, 2017, July 31, 2016 and July 31, 2015 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans (\$)	Long-term incentive plans (\$)			
Michael L. Young ⁽¹⁾ President, CEO and director	2017	65,000	38,008	Nil	Nil	Nil	Nil	103,008
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Cooper ⁽²⁾ CFO and director /former President and CEO	2017	16,910	15,263	Nil	Nil	Nil	Nil	32,173
	2016	28,900	Nil	Nil	Nil	Nil	Nil	28,900
	2015	14,600	Nil	Nil	Nil	Nil	Nil	14,600
Andrew R. Cheshire ⁽³⁾ former President and CEO and former director and CFO	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daryn Gordon ⁽⁴⁾ former CFO and Corporate Secretary	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mike K. Veldhuis ⁽⁵⁾ former Corporate Secretary and former director	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Young was appointed a director, and the President and Chief Executive Officer of Harrys on January 20, 2017.
- (2) Mr. Cooper served as President from June 14, 2007 to August 23, 2011 and served as CEO from August 12, 2008 to September 27, 2011. Mr. Cooper was appointed Chief Financial Officer of Harrys on September 14, 2014. Mr. Cooper also served as President and Chief Executive Officer from November 3, 2015 to January 20, 2017.
- (3) Mr. Cheshire served as President and CEO from January 21, 2013 to November 3, 2015 and resigned as officer and director on November 3, 2015. Mr. Cheshire's salary consisted of consulting fees paid to Cheshire Consulting Corp., a private company owned and controlled by Mr. Cheshire.
- (4) Daryn Gordon served as Chief Financial Officer from January 21, 2013 to September 19, 2014 and served as Corporate Secretary from December 6, 2013 to September 19, 2014.
- (5) Mike K. Veldhuis served as Corporate Secretary of Harrys from September 14, 2014 to December 20, 2014. Mr. Veldhuis resigned as a director of Harrys on December 10, 2014.

The following table discloses all awards outstanding to NEO's at the end of the most recently completed financial year:

Name and principal position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Michael L. Young ⁽¹⁾ President, CEO and director	350,000	0.10	January 16, 2022	28,000	Nil	Nil	Nil
Christopher Cooper ⁽²⁾ CFO and director /former President and CEO	100,000	0.25	January 27, 2022	Nil	Nil	Nil	Nil
Andrew R. Cheshire ⁽³⁾ former President and CEO and former director and CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daryn Gordon ⁽⁴⁾ former CFO and Corporate Secretary	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mike K. Veldhuis ⁽⁵⁾ former Corporate Secretary and former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2016

There were no NEO outstanding option-based awards during the year ended July 31, 2016. Harrys did not grant any share-based awards during financial year ended July 31, 2016.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2015

There were no NEO outstanding option-based awards during the year ended July 31, 2015. Harrys did not grant any share-based awards during financial year ended July 31, 2015.

Incentive Plan Awards - Value Vested Or Earned During the Year Ended July 31, 2017:

Name and principal position	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year \$
Michael L. Young ⁽¹⁾ President, CEO and director	35,000	Nil	Nil
Christopher Cooper ⁽²⁾ CFO and director /former President and CEO	Nil	Nil	Nil
Andrew R. Cheshire ⁽³⁾ former President and CEO and former director and CFO	Nil	Nil	Nil
Daryn Gordon ⁽⁴⁾ former CFO and Corporate Secretary	Nil	Nil	Nil
Mike K. Veldhuis ⁽⁵⁾ former Corporate Secretary and former director	Nil	Nil	Nil

Incentive Plan Awards - Value Vested Or Earned During the Year Ended July 31, 2016

There were no NEO value vested or earned options or share-based awards under incentive plans during the year ended July 31, 2016. Harrys did not grant any share-based awards during financial year ended July 31, 2016.

Incentive Plan Awards - Value Vested Or Earned During the Year Ended July 31, 2015

There were no NEO value vested or earned options or share-based awards under incentive plans during the year ended July 31, 2015. Harrys did not grant any share-based awards during financial year ended July 31, 2015.

Termination and Change of Control Benefits

As of July 31, 2017, the Company's agreement with Michael Young requires a payment equal to the portion of the annual salary remaining for the rest of the annual term of the agreement if the arrangement is terminated for cause or as a result of change of control of Harrys.

As of July 31, 2016, Harrys had no agreements with any of its NEOs concerning severance payments of cash or equity compensation as a result of termination of their arrangement with Harrys or as a result of a change of control of Harrys.

Director Compensation Table

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
William Radvik Director	Nil	Nil	15,263	Nil	Nil	Nil	15,263

Directors who are also NEO's compensation reflected in the summary compensation table presented above.

No directors receive monthly compensation and no director receives compensation for attending Board meetings or committee meetings.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2017

At July 31, 2017, option-based or share-based awards outstanding to William Radvik, a director who was not an NEO of Harry's consisted of 100,000 stock options exercisable at \$0.25 per share until January 27, 2022.

Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2016

There were no option-based or share-based awards outstanding to a director who was not an NEO of Harry's during financial year ended July 31, 2016. Harry's did not grant share-based awards during financial year ended July 31, 2016.

Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2015

There were no option-based or share-based awards outstanding to a director who was not an NEO of Harry's during financial year ended July 31, 2015. Harry's did not grant share-based awards during financial year ended July 31, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year Ended July 31, 2017

Option based awards vested or earned during financial year ended July 31, 2017 to any director who was not an NEO during financial year ended July 31, 2017 included the grant of 100,000 stock options exercisable at \$0.25 per share for five years after the date of grant to William Radvik.

Incentive Plan Awards – Value Vested or Earned During the Year Ended July 31, 2016

There were no option based awards vested or earned during financial year ended July 31, 2016 to any director who was not an NEO during financial year ended July 31, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year Ended July 31, 2015

There were no option based awards vested or earned during financial year ended July 31, 2015 to any director who was not an NEO during financial year ended July 31, 2015.

Securities Authorized for Issuance

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2016.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Share Plan)	N/A	N/A	2,363,902
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	N/A		2,363,902

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2015.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Share Plan)	N/A	N/A	2,363,902
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	N/A		2,363,902

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 Aggregate Indebtedness

No existing or proposed director, officer or employees of Harrys or any Associate of any of them, was, or is currently, indebted to Harrys as at the financial year ended July 31, 2017, nor is any such person expected to be indebted to the Issuer on completion of the Acquisition.

16.2 Indebtedness under Securities Purchase and Other Programs

No existing or proposed directors, officers or employees of Harrys or any Associate of any of them, was, or is currently indebted to Harrys as at the financial year ended July 31, 2017, nor is any such person expected to be indebted to the Issuer on completion of the Acquisition, nor has any such person been or is currently indebted to another entity which is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

17. RISK FACTORS

The business of Harrys is subject to certain risks and uncertainties inherent in the tobacco industry. Prior to making any investment decision regarding HIMI, or Harrys as the case may be, investors should carefully consider, among other things, the risk factors set forth below.

While this Listing Statement has described the risks and uncertainties that management of Harrys and HIMI believe to be material to Harrys' business, it is possible that other risks and uncertainties affecting Harrys' business will arise or become material in the future.

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

The following is a description of the principal risk factors that will affect Harrys:

17.1 General Risks

Transactions Generally

While Harrys conducted due diligence in connection with the Transaction, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of HIMI for which Harrys is not sufficiently indemnified pursuant to the provisions of the Share Exchange Agreement. Any such unknown or undisclosed risks or liabilities could materially and adversely affect Harrys' financial performance and results of operations. Harrys could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits anticipated in the Transaction. All of these factors could cause a delay of the anticipated accretive effect of the Transaction and cause a decrease in the market price of the Harrys Shares.

Failure to Realize Benefits of Transaction

Harrys may not realize the anticipated benefits of the Transaction, or may not realize them in the time frame expected. Harrys cannot provide assurance that it will be able to grow or even sustain the cash flow generated by the Transaction. Difficulties encountered as a result of the Transaction may prove problematic to overcome such as, without limitation, the inability to integrate or retain key personnel, the inability to retain business relationships with current customers, and difficulties with adoption or implementation of new business plans, standards, controls, processes and systems within HIMI.

Credit and Liquidity Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Harrys' primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Harrys secondary exposure to this risk is on its other receivables. Typically, this risk is minimal as receivables consist primarily of refundable sales tax. However, Harrys may on occasion give a client a 30 to 60 day payment term, which increases Harry's credit risk in the event of non-payment.

Liquidity risk is the risk that Harrys will not be able to meet its financial obligations as they fall due. Harrys has a planning and budgeting process in place to help determine the funds required to support Harrys' normal operating requirements on an ongoing basis. Harrys attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Future Capital Needs and Uncertainty of Additional Financing

Harrys anticipates that its cash balance will be sufficient to meet its presently anticipated working capital and capital expenditure requirements. However, Harrys may need to raise additional funds in order to support rapid expansion, development of new or enhanced services and products, respond to competitive pressures, acquire complimentary businesses or technologies or take advantage of unanticipated opportunities. Harrys may need or be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to Harrys, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of Harrys will be reduced, the shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of Harrys' Shares. If adequate funds are not available on acceptable terms, Harrys may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on Harrys' business, financial condition and operating results.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

- (i) Foreign currency exchange risk Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. Harrys risk to foreign exchange is limited since it currently transacts all sales in Canadian dollars.
- (ii) Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Harrys is currently not exposed to significant interest rate risk. However, as Harrys continues its operations, it may become exposed to interest rate risk and intends to manage said risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.
- (iii) Commodity price risk Harrys does not have exposure to commodity price risks

Ability to Manage Growth

Harrys may experience rapid growth in the scope of its operations. Growth may result in increased responsibilities for the personnel of Harrys, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and future growth effectively, Harrys will need to continue to implement and improve its operational, financial and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture including technical and customer service standards. There can be no assurances that Harrys manages such growth effectively or that its management, personnel or systems will be adequate to support the growth of Harrys. Any failure to implement cohesive and efficient operating, financial and management information systems, to add resources on a cost-effective basis or to otherwise properly manage Harrys' expansion could have a material adverse effect on its business and results of operations.

17.2 Tobacco Industry Risk Factors

Lack of Operating History

Harrys is an early stage company in an established market. There can be no assurance that it will be able to implement its business plans in the timeframes estimated by management. Harrys believes that its growth and future success will, to a certain degree, be dependent upon the ability to secure funding to acquire the land, build the manufacturing facility and secure the tobacco manufacturing license. Future operating results will depend on many factors, including markets for tobacco products.

HIMI currently does not have a licence to Manufacture or Sell Tobacco Products

HIMI is not licenced to manufacture tobacco products. HIMI's ability to manufacture and distribute its own tobacco products is dependent on its ability to obtain all required licences, consents and approvals from relevant governmental authorities. There can be no assurance that HIMI will obtain such licences, consents and approvals.

Regulatory Risks

The business objectives and milestones of Harrys are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the manufacture, distribution and sale of tobacco products. Harrys cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of Harrys brands, markets and products and could have a material adverse effect on the business, results of operations and financial condition of Harrys.

Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the ability of Harrys to produce or sell tobacco. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of tobacco products, or more stringent implementation thereof could have a substantial adverse impact on Harrys.

Governmental Regulations and Risks

The operations of Harrys will be subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the operations of Harrys.

Government approvals and permits are currently, and may in the future, be required in connection with Harrys' operations. To the extent such approvals are required and not obtained, Harrys may be curtailed or prohibited from its proposed production of tobacco or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Harrys may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of tobacco, or more stringent implementation thereof, could have a material adverse impact on Harrys and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Licensing Requirements

Licensing requirements for the manufacture, distribution and sale of tobacco products will subject Harrys to stringent ongoing compliance and reporting requirements by governmental authorities. Failure to comply with the requirements of its license, should it receive one, or any failure to maintain such licence could have a material adverse impact on the business, financial condition and operating results of Harrys. Furthermore, any licence Harrys receives may have an expiry date. Upon expiration of such, Harrys may be required to submit an application for renewal and any such renewal cannot be assured.

Harrys may be required to demonstrate compliance with regulatory requirements, such as quality control standards, record-keeping of all activities as well as inventories of tobacco, and physical security measures to protect against potential diversion to maintain its license. It may also be required to employ qualified quality assurance personnel who ultimately approve the quality of the product prior to making it available for sale. This approval process may include testing (and validation of testing) for microbial and chemical contaminants to ensure that they are within established tolerance limits for herbal medicines for human consumption.

Factors related to the Potential Facility which may Prevent Realization of Business Objectives

As of the date of this Listing Statement, HIMI has not secured a facility for the manufacturing of tobacco cigarettes. Even if HIMI can secure such a location, any adverse changes or developments affecting it and commencement of production could have a material and adverse effect on the business of HIMI, its financial condition and prospects. There is a risk that such changes or developments could adversely affect such a facility and business growth by a variety of factors, including the following:

- (a) delays in obtaining, or conditions imposed by, regulatory approvals;
- (b) plant design errors;
- (c) environmental pollution;
- (d) non-performance by third party contractors;
- (e) increases in materials or labour costs;
- (f) ability to obtain or price fluctuations in raw materials or tobacco blend feedstocks;
- (g) construction performance falling below expected levels of output or efficiency;
- (h) breakdown, aging or failure of equipment or processes;
- (i) contractor or operator errors;
- (j) labour disputes, disruptions or declines in productivity;
- (k) inability to attract sufficient numbers of qualified workers;
- (l) disruption in the supply of energy and utilities; or

- (m) major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

It is also possible that the costs of commencing production may be significantly greater than anticipated by Harrys' management, and may be greater than funds available to Harrys, in which circumstance Harrys may curtail, or extend the timeframes for completing its business plans. This could have an adverse effect on the financial results of Harrys.

Legislative or Regulatory Reform

Harrys' operations will be subject to a variety of laws, regulations, guidelines and policies including those relating to the manufacture, import, export, management, packaging/labeling, advertising, sale, transportation, storage and disposal of tobacco. Due to matters beyond the control of Harrys, these laws, regulations, guidelines and policies may cause adverse effects to its operations.

Unfavourable Publicity or Consumer Perception

Management of Harrys believes the tobacco industry is highly dependent upon consumer perception regarding the tobacco products produced. Consumer perception of Harrys' proposed products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of tobacco products. Future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will likely be unfavourable to the tobacco market. 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 an additional material adverse effect on the demand for Harrys' proposed products and the business, results of operations, financial condition and cash flows of Harrys. Harrys' dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Harrys, the demand for Harrys' proposed products, and the business, results of operations, financial condition and cash flows of Harrys.

Further, adverse publicity reports or other media attention regarding the association of the consumption of tobacco with illness or other negative effects or events, could have such a material adverse effect.

Product Liability

If Harrys receives a licence as a manufacturer of products designed to be inhaled or ingested by humans, Harrys faces an inherent risk of exposure to product liability claims, regulatory action and litigation. In addition, the sale of Harrys' products would involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of Harrys' products could occur. Harrys may be subject to various product liability claims, including, among others, that Harrys' products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Harrys could result in increased costs, could adversely affect Harrys' reputation with its clients and consumers generally, and could have a material adverse

effect on the results of operations and financial condition of Harrys. There can be no assurances that Harrys will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Harrys' potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of Harrys' potential products are recalled due to an alleged product defect or for any other reason, Harrys could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Harrys may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Harrys will endeavour to have detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of Harrys' significant brands were subject to recall, the image of that brand and Harrys could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Harrys' products and could have a material adverse effect on the results of operations and financial condition of Harrys. Additionally, product recalls may lead to increased scrutiny of Harrys operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Dependence on the Licensor

Harrys' current distribution activities are entirely dependent on HIMI's relationship with the Licensor under the Distribution Agreement. Complications may arise in the commercial relationships between HIMI and the Licensor, which could materially affect HIMI's ability to carry on its distribution business and would thereby have a significant effect on the results of operations and financial condition of Harrys.

Reliance on key inputs

Harrys' potential cigarette manufacturing business will be dependent on a number of key inputs and their related costs including raw materials and supplies related to its operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of Harrys. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Harrys might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Harrys in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of Harrys.

Dependence on suppliers and skilled labour

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

Dependence on Management Team

Harrys currently depends on certain key senior managers to oversee the core marketing, business development, operational and fund raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on Harrys' future performance.

Dilution

Harrys may issue equity securities to finance its activities, including future acquisitions. If Harrys was to issue Harrys Shares, existing holders of such Harrys Shares may experience dilution in their holdings. Moreover, when Harrys' intention to issue additional equity securities becomes publicly known, Harrys' share price may be adversely affected.

Taxes

Cigarettes are subject to substantial taxes. Significant increases in cigarette related taxes have been proposed or enacted and are likely to continue to be proposed or enacted in numerous jurisdictions. These tax increases may disproportionately affect profitability and make Harrys less competitive versus certain of our competitors.

Tax regimes, including excise taxes, sales taxes and import duties, can disproportionately affect the retail price of cigarettes versus other tobacco products, or disproportionately affect the relative retail price of Harrys' cigarette versus cigarette manufactured by certain competitors.

Increases in cigarette taxes are expected to continue to have an adverse impact on the sales of cigarettes, due to resulting lower consumption levels, a shift in sales from manufactured cigarettes to other tobacco products and from the premium price to the mid-price or low-price cigarette categories, from local sales to legal cross-border purchases of lower price products, or to illicit products such as contraband, counterfeit and "illicit whites".

Government Intervention

The tobacco industry faces significant governmental action aimed at increasing regulatory requirements with the goal of reducing or preventing the use of tobacco products.

Governmental actions, combined with the diminishing social acceptance of smoking and private actions to restrict smoking, have resulted in reduced industry volume in many markets, and consumption rates are expected to continue to decline. Significant regulatory developments are

expected to take place over the next few years in many markets, driven principally by the World Health Organization's Framework Convention on Tobacco Control (“FCTC”). The FCTC is the first international public health treaty on tobacco, and its objective is to establish a global agenda for tobacco regulation. The FCTC has led to increased efforts by tobacco control advocates and public health organizations to promote increasingly restrictive regulatory measures on the marketing and sale of tobacco products to adult smokers.

Litigation

Litigation related to tobacco use and exposure to environmental tobacco smoke could substantially reduce Harrys’ profitability. There is litigation related to tobacco products pending in certain jurisdictions. Damages claimed in some tobacco-related litigation are significant and, in certain cases in Canada range into the billions of U.S. dollars. Industry participants anticipate that new cases will continue to be filed. The FCTC encourages litigation against tobacco product manufacturers. In particular, claims including class actions could be made against us in respect of, among other things, claims for personal injury or death, costs of providing health-care and costs of court-supervised health monitoring programmes. The damages sought in any such claim could be significant. It is possible that Harrys’ operations, cash flows or financial position could be materially affected in a particular fiscal quarter or fiscal year by an unfavorable outcome or settlement of certain pending litigation.

In addition, even if Harrys or HIMI are not parties to litigation, any adverse judgment against a tobacco manufacturer or in relation to the tobacco market could have an impact on market conditions which could adversely affect our revenue, profit or financial condition.

Foreign Operations and Risks Associated with Foreign Operations

Harrys intends to continue to distribute tobacco cigarettes, through HIMI, to mainly international clients. Operations in a number of countries may subject the Harrys to a number of risks associated with international business activities and Harrys may not be aware of all the factors that may affect its business in foreign jurisdictions.

Harrys’ ability to capitalize on growth in new markets and to maintain its current level of operations in its existing markets is subject to certain risks associated with operating in various international locations. Harrys’ business and operations may be adversely affected by factors which are not within its control, including changes in foreign government laws, policies or regulations, social instability, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which its business is conducted. Harrys’ operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment.

In addition, Harrys may not be aware of all the factors that may affect its business in foreign jurisdictions. International operations carry certain risks and associated costs, such as: the complexity and expense of having certain business operations abroad; complications in

compliance with foreign laws and unexpected changes in legal and regulatory restrictions or requirements; international import and export legislation; trading and investment policies; foreign currency fluctuations; exchange controls; tariffs and other trade barriers; difficulties in collecting accounts receivable; potential adverse sales and use tax and income tax consequences; uncertainties of laws and enforcement relating to intellectual property and privacy rights; unauthorized copying of software; and other factors depending upon the country involved.

If Harrys' operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed. Changes in regulatory, geopolitical, social or economic policies and other factors may have a material adverse effect on its business in the future, or may require Harrys to exit a particular market or significantly modify its current business practices. Harrys' activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on its business, operating results and financial condition. Harrys believes that its management is sufficiently experienced to reduce these risks.

Competition

Harrys operates in a very competitive market. Cigarette manufacturers compete primarily on the basis of product quality, brand recognition, brand loyalty, taste, innovation, packaging, service, marketing, advertising and price. The competitive environment and HIMI's competitive position can be significantly influenced by weak economic conditions, erosion of consumer confidence, competitors' introduction of lower-price products or innovative products, higher tobacco product taxes, higher absolute prices and larger gaps between retail price categories, and product regulation that diminishes the ability to differentiate tobacco products.

The World Health Organization ("WHO") estimates about one billion people around the world continue to smoke, of which approximately 80% of these smokers live in low and middle income countries. Unlike Canada and most other developed countries, emerging market countries exhibit growing demand for tobacco products. As a result, sales are shifting from developed markets, like those in Western Europe, where smoking prevalence is declining and where tobacco company operations are more restricted by government policies, to emerging markets, like those in Asia and Africa, where tobacco companies take full advantage of lax regulatory environments, growing populations and increasing incomes.

Industry analysts predict that over the next five years the global cigarette industry will continue to grow, with the retail value increasing by 37.3% as global volume sales decline by 4.8%.⁴ Cigarettes account largest share of manufactured tobacco products, over 95% of global tobacco revenues. Globally, the total number of cigarettes declined in 2014, but retail sales continue to climb. Approximately 5.8 trillion cigarettes were consumed in 2014 worldwide.

HIMI does not intend to market to convenience stores or other domestic retail locations. In order to rapidly penetrate the market and build a customer base, the Company will instead focus on building distribution agreements with registered wholesalers in the Asia Pacific region and Central

⁴ Euromonitor International [database on the Internet]. Cigarettes: Global. Euromonitor International; c 2016.

America, focusing on areas where management has existing relationships and there is strong demand for tobacco cigarettes.

HIMI will have several competitors, including major cigarette producers such as Imperial Tobacco Canada Limited, Rothmans, Benson & Hedges, JTI-Macdonald and Grand River Enterprises. HIMI does not intend to be in direct competition with these entrenched competitors or to attempt to steal significant market share from these groups.

Government Investigations

From time to time, tobacco manufacturers are subject to governmental investigations on a range of matters. Investigations include allegations of contraband shipments of cigarettes, allegations of unlawful pricing activities within certain markets, allegations of underpayment of customs duties and/or excise taxes, allegations of false and misleading usage of descriptors and allegations of unlawful advertising.

Lack of Operating History

Harrys has only recently started to carry on its business. Harrys is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The failure by Harrys to meet any of these conditions could have a materially adverse effect on Harrys and may force it to reduce, curtail, or discontinue operations. There is no assurance that Harrys will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. Harrys may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If Harrys fails to do so, it could materially harm its business and impair the value of its common stock, resulting in a loss to shareholders. Even if Harrys accomplishes these objectives, Harrys may not generate the anticipated positive cash flows or profits. No assurance can be given that Harrys can or will ever be successful in its operations and operate profitably.

18. PROMOTERS

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

19. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Harrys

There are no legal proceedings to which Harrys is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of Harrys, there are no such proceedings contemplated.

During the three years immediately preceding the date of this listing statement, Harrys has not been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, any other penalties or sanctions imposed by a court or

regulatory body, or entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

HIMI

There are no legal proceedings to which HIMI is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of HIMI, there are no such proceedings contemplated.

Since its organization HIMI has not been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, any other penalties or sanctions imposed by a court or regulatory body, or entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Harrys

Except as disclosed herein, to the knowledge of Harrys' management, no director or officer, insider or 10% shareholder of Harrys, nor any of their respective Associates, affiliates or member of their group has or had any material interest, direct or indirect, in any transaction in the preceding three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Harrys.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditor

The auditors of Harrys are K.R. Margetson Ltd., Chartered Professional Accountants (the "Auditors"), located at 210 – 905 West Pender Street, Vancouver, British Columbia V6C 1L6.

21.2 Transfer Agent and Registrar

Harrys' registrar and transfer agent, Computershare, located at 510 Burrard Street, Vancouver, BC V6C 3B9 will be the registrar and transfer agent of Harrys.

22. MATERIAL CONTRACTS

Harrys

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by Harrys within two years prior to the date hereof and which are currently in effect:

Contract	Details	Date
Option Agreement with Intact	Option Agreement to acquire 100% right, title and interest in and to those certain mineral claims comprising the Black Jack Gold Property. As detailed above in Section 3.1 of this Listing Statement.	May 5, 2017
Share Exchange Agreement with HIMI	Share exchange agreement to acquire 100% of the issued and outstanding shares of HIMI. As detailed above in Section 3.2 of this Listing Statement.	January 22, 2018
Distribution Agreement between HIMI and Licensor	Pursuant to the Distribution Agreement, HIMI has agreed to source international purchasers for tobacco products by the Licensor in exchange for a portion of the revenues generated from such sales. As detailed above in Section 3.1.	January 2, 2018

23. INTEREST OF EXPERTS

No person or company named in this document as having prepared or certified a part of the document or a report described in this document and no responsible solicitor or any partner of a responsible solicitor's firm, holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an associate or affiliate of the Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Harrys, HIMI or their securities.

25. FINANCIAL STATEMENTS

Harrys

The Harrys Audited Annual Financial Statements and the Harrys Interim Financial Statements are available on SEDAR at www.sedar.com and are incorporated herein by reference.:

- (A) Annual audited financial statements Harrys including the auditor's report from K.R. Margetson Ltd., Chartered Professional Accountants, for the financial year ended July 31, 2017, for the financial year ended July 31, 2016 and for the financial year ended July 31, 2015; and

(B) interim unaudited financial statements ended April 30, 2018 (prepared by management).

HIMI

A copy of the audited financial statements of HIMI for the most recent fiscal year ended July 31, 2017 and the interim unaudited financial statements ended April 30, 2018 are attached as Schedule B of this Listing Statement.

Pro-Forma Statements

The unaudited pro-forma statements of Harrys as at April 30, 2018 are attached as Schedule A of this Listing Statement.

CERTIFICATE OF THE ISSUER

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

Dated at Vancouver, British Columbia this 5th day of October, 2018.

“Michael L. Young”

Michael L. Young
Chief Financial Officer and Director

“Henry Chow”

Henry Chow
Director

“William Radvak”

William Radvak
Director

“Kevin Edwards Francis Kohanik”

Kevin Edwards Francis Kohanik
President, CEO, and Director

“Harinder Singh Dhesi”

Harinder Singh Dhesi
Director and VP of Corporate
Development

CERTIFICATE OF HARRYS INTERNATIONAL MANUFACTURING INC.

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

Dated at Vancouver, British Columbia this 5th day of October, 2018.

“Kevin Edward Francis Kohanik”

Kevin Edward Francis Kohanik
President and Director

“Ashley Francis Harry”

Ashley Francis Harry
Director

“Harinder Singh Dhesi”

Harinder Singh Dhesi
Director

“Glenn Allen Sodenberg”

Glenn Allen Sodenberg
Director

SCHEDULE A
PRO-FORMA FINANCIAL STATEMENTS

Unaudited Pro Forma Consolidated Financial Statements of

HARRYS MANUFACTURING INC.
(Formerly Westridge Resources Inc.)

April 30, 2018

Expressed in Canadian Dollars

(Prepared by Management)

HARRYS MANUFACTURING INC. (Formerly Westridge Resources Inc.)
Pro Forma Consolidated Statement of Financial Position
Expressed in Canadian Dollars
(Unaudited)

	HARRYS As at April 30, 2018	HIMI As at April 30, 2018	Pro forma adjustments	Note 3	Pro forma consolidated
	\$	\$	\$		\$
ASSETS					
Current assets					
Cash	1,642,784	53,681	(65,000)	(d)	1,631,465
Receivables	37,456	459,428	(33,452)	(b)	463,432
Total current assets	1,680,240	513,109	(98,452)		2,094,897
Property, plant and equipment	–	1,617,304	–		1,617,304
Prepaid expenses	–	300,000	–		300,000
Loan receivable	2,400,000	–	(2,400,000)	(b)	–
Investment in HIMI	–	–	9,975,035	(a)	–
			(9,975,035)	(c)	
Goodwill	–	–	10,045,921	(c)	10,045,921
Total assets	4,080,240	2,430,413	7,547,469		14,058,122
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	11,066	35,706	–		46,772
Wages payable	–	27,186	–		27,186
Due to related parties	63	300	–		363
Loan payable	–	2,438,107	(2,438,107)	(b)	–
Total liabilities	11,129	2,501,299	(2,438,107)		74,321
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	9,497,915	322,600	9,975,035	(a)	19,472,950
			(322,600)	(c)	
Reserves	1,810,116	–	–		1,810,116
Deficit	(7,238,920)	(393,486)	4,655	(b)	(7,299,265)
			393,486	(c)	
			(65,000)	(d)	
Total shareholders' equity (deficiency)	4,069,111	(70,886)	9,985,576		13,983,801
Total liabilities and shareholders' equity (deficiency)	4,080,240	2,430,413	7,547,469		14,058,122

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

HARRYS MANUFACTURING INC. (Formerly Westridge Resources Inc.)
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
Expressed in Canadian Dollars
(Unaudited)

	HARRYS Nine months ended April 30, 2018	HIMI Nine months ended April 30, 2018	Pro forma adjustments	Note 3	Pro forma consolidated
	\$	\$	\$		\$
Revenues					
Sales	–	437,550	–		437,550
Purchases	–	(1,700)	–		(1,700)
Gross profit	–	435,850	–		435,850
Expenses					
Consulting fees	232,987	16,467	–		249,454
Depreciation	–	85,121	–		85,121
Finance charges	3,130	47,464	(38,107)	(b)	12,487
Management fees	121,000	–	–		121,000
Office and miscellaneous	34,734	–	–		34,734
Professional fees	71,179	52,219	65,000	(d)	188,398
Salaries and wages	–	373,979	–		373,979
Share-based payments	149,488	–	–		149,488
Shareholder communications	1,250	–	–		1,250
Transfer agent and filing fees	32,017	–	–		32,017
Total expenses	645,785	575,250	26,893		1,247,928
Loss before other income (expenses)	(645,785)	(139,400)	(26,893)		(812,078)
Other income (expense)					
Interest income	33,452	–	(33,452)	(b)	–
Impairment mineral property costs	(50,000)	–	–		(50,000)
Net and comprehensive loss	(662,333)	(139,400)	(60,345)		(862,078)
Basic and diluted loss per common share					(0.01)
Weighted average number of common shares outstanding, basic and diluted (Note 5)					70,574,261

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

HARRYS MANUFACTURING INC. (Formerly Westridge Resources Inc.)
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
Expressed in Canadian Dollars
(Unaudited)

	HARRYS Year ended July 31, 2017	HIMI Year ended July 31, 2017	Pro forma adjustments	Note 3	Pro forma consolidated
	\$	\$	\$		\$
Revenues	–	–	–		–
Expenses					
Consulting fees	83,270	–	–		83,270
Expense recovery	(111,834)	–	–		(111,834)
Finance charges	3,103	108	–		3,211
Management fees	81,910	–	–		81,910
Office and miscellaneous	13,179	–	–		13,179
Professional fees	40,245	–	65,000	(d)	105,245
Salaries and wages	–	253,978	–		253,978
Share-based payments	628,059	–	–		628,059
Shareholder communications	4,100	–	–		4,100
Transfer agent and filing fees	12,482	–	–		12,482
Total expenses	754,514	254,086	65,000		1,073,600
Net and comprehensive loss	(754,514)	(254,086)	(65,000)		(1,073,600)
Basic and diluted loss per common share					(0.02)
Weighted average number of common shares outstanding, basic and diluted (Note 5)					58,313,642

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

HARRYS MANUFACTURING INC. (Formerly Westridge Resources Inc.)

Notes to the Unaudited Pro Forma Consolidated Financial Statements

Expressed in Canadian dollars

April 30, 2018

1. Proposed Transaction

Harrys Manufacturing Inc. (“Harrys”), formerly Westridge Resources Inc., and Harrys International Manufacturing Inc. (“HIMI”) entered into a share exchange agreement dated January 22, 2018 (the “Transaction”), pursuant to which Harrys acquired all of the issued and outstanding capital stock, being 28,500,100 Class A common shares, of HIMI in consideration for the issuance of 28,500,100 common shares of Harrys.

In addition, as a condition precedent to the closing of the Transaction, Harrys shall advance to HIMI an aggregate amount of up to \$2,500,000 pursuant to a loan agreement entered on January 4, 2018, of which \$2,400,000 has been advanced at April 30, 2018. The loan bears interest at 5% per annum per annum, is secured by the assets of HIMI, and matures on January 4, 2019.

2. Basis of Presentation

The unaudited pro forma consolidated financial statements (“pro forma financial statements”) of Harrys give effect to the Transaction as described above and have been prepared in accordance with International Financial Reporting Standards.

The pro forma financial statements are not intended to reflect the financial position that will exist following the Transaction, nor the statement of loss and comprehensive loss that may be obtained in the future. Actual amounts recorded when the Transaction closes will likely differ from those recorded in the pro forma financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the pro forma financial statements.

The pro forma financial statements are presented in Canadian dollars. The accompanying pro forma consolidated financial statements have been compiled from and include:

- (a) An unaudited pro forma consolidated statement of financial position as at April 30, 2018, combining the unaudited interim statement of financial position of Harrys as at April 30, 2018, with the unaudited interim statement of financial position of HIMI as at April 30, 2018, giving effect to the transaction as if it occurred on April 30, 2018; and
- (b) an unaudited pro forma consolidated statement of loss and comprehensive loss combining the unaudited statement of loss and comprehensive loss of Harrys for the nine months ended April 30, 2018 with the unaudited statement of loss and comprehensive loss of HIMI for the nine months ended April 30, 2018, giving effect to the transaction as if it occurred on August 1, 2017.
- (c) an unaudited pro forma consolidated statement of loss and comprehensive loss combining the audited annual statement of loss and comprehensive loss of Harrys for the year ended July 31, 2017, with the unaudited statement of loss and comprehensive loss of HIMI for the year ended July 31, 2017, giving effect to the transaction as if it occurred on August 1, 2016.

These pro forma financial statements do not contain all of the information required for annual financial statements. Accordingly, they should be read in conjunction with the most recent annual and interim financial statements of both Harrys and HIMI. The accounting policies used in the preparation of the pro forma financial statements are those set out in the audited financial statements of Harrys for the year ended July 31, 2017. Based on the review of the accounting policies of Harrys, it is the Company’s management’s opinion that there are no material accounting differences between the accounting policies of the Company and HIMI. The unaudited pro forma financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the proposed transaction been effected on the dates indicated. Further, the unaudited pro forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. The actual pro forma adjustments

HARRYS MANUFACTURING INC. (Formerly Westridge Resources Inc.)
Notes to the Unaudited Pro Forma Consolidated Financial Statements
Expressed in Canadian dollars
April 30, 2018

will depend on a number of factors and could result in a change to the unaudited pro forma financial statements.

HARRYS MANUFACTURING INC. (Formerly Westridge Resources Inc.)

Notes to the Unaudited Pro Forma Consolidated Financial Statements

Expressed in Canadian dollars

April 30, 2018

3. Pro Forma Adjustments and Assumptions

The pro forma financial statements incorporate the following pro forma assumptions:

- (a) As consideration for 100% of the outstanding shares of HIMI, Harrys will issue 28,500,100 common shares to HIMI shareholders with an estimated fair value of \$9,975,035. As a result, the pro forma consolidated statement of financial position has been adjusted for the elimination of HIMI's share capital and accumulated deficit, and goodwill of \$10,045,921 has been recognized. This reflects the difference between the estimated fair value of Harrys shares to HIMI shareholders less the fair value of net liabilities of HIMI assumed.

The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

<u>Purchase price</u>	
28,500,100 common shares at \$0.35 per share	\$ 9,975,035
	<u>\$ 9,975,035</u>
<u>Fair value of HIMI's net assets acquired</u>	
Cash	\$ 53,681
Accounts receivable	459,428
Prepaid expenses	300,000
Property, plant and equipment	1,617,304
Goodwill	10,045,921
Accounts payable	(35,706)
Wages payable	(27,186)
Loan payable	(2,438,107)
Due to shareholders	(300)
	<u>\$ 9,975,035</u>

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the HIMI net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the unaudited pro forma consolidated financial information and that those differences may be material.

- (b) The \$2,400,000 loan and related accrued interest from Harrys to HIMI is eliminated upon consolidation.
- (c) Represents the elimination of the historical equity of HIMI and recognition of goodwill associated with the acquisition of \$10,045,921 as described in Note 3(a).
- (d) The total cash transaction costs which are expected to be incurred for the acquisition amounts to \$65,000 which includes accounting and legal fees.

HARRYS MANUFACTURING INC. (Formerly Westridge Resources Inc.)

Notes to the Unaudited Pro Forma Consolidated Financial Statements

Expressed in Canadian dollars

April 30, 2018

4. Pro Forma Share Capital

As a result of the Transaction, the share capital as at April 30, 2018, in the pro forma financial statements is comprised of the following:

Authorized

Unlimited common shares, without par value

	Note	Number of shares	Share capital	Reserves
Harrys balance at April 30, 2018		49,316,258	\$ 9,497,915	\$ 1,810,116
Issuance of common shares to acquire HIMI	3(a)	28,500,100	9,975,035	–
Pro forma balance		77,816,358	\$ 19,472,950	\$ 1,810,116

5. Pro Forma Loss Per Share

The following table sets forth the computation of pro forma basic and diluted loss per share for the nine months ended April 30, 2018 and for the year ended July 31, 2017:

	Nine months ended April 30, 2018	Year ended July 31, 2017
Numerator		
Pro-Forma net loss for the period	\$ (862,078)	\$ (1,073,600)
Denominator		
Weighted average number of common shares outstanding, basic and diluted	70,574,261	58,313,642
Pro forma basic and diluted loss per share	\$ (0.01)	\$ (0.02)

SCHEDULE B
HIMI FINANCIAL STATEMENTS

HARRYS INTERNATIONAL MANUFACTURING INC.
Condensed Interim Financial Statements
April 30, 2018
(Unaudited)
(Expressed in Canadian dollars)

HARRYS INTERNATIONAL MANUFACTURING INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Nine months ended	
	April 30	
	2018	2017
Revenue	\$ 437,550	\$ -
Purchases	<u>1,700</u>	<u>-</u>
	<u>435,850</u>	<u>-</u>
Operating Expenses		
Consulting fees	16,467	-
Depreciation (Note 4)	85,121	-
Interest and bank charges	47,464	-
Professional fees	52,219	-
Salaries and wages (Note 5)	<u>373,979</u>	<u>146,777</u>
	575,250	146,777
	(139,400)	
Comprehensive loss	<u>\$ (139,400)</u>	<u>\$ (146,777)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (1,468)</u>
Weighted average shares outstanding	<u>14,819,443</u>	<u>100</u>

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

HARRYS INTERNATIONAL MANUFACTURING INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian dollars)
(Unaudited)

	Number of common shares	Share capital	Deficit	Total deficiency
Balance, November 29, 2016 (inception)	-	\$ -	\$ -	\$ -
Issuance of common shares for cash (Note 8)	100	100	-	100
Comprehensive loss	-	-	(146,777)	(146,777)
Balance, April 30, 2017	100	\$ 100	\$ (146,777)	\$ (146,677)
Balance, August 1, 2017	-	\$ 100	\$ (254,086)	\$ (253,986)
Issuance of common shares for cash (Note 8)	28,500,000	322,500	-	322,500
Comprehensive loss	-	-	(139,400)	(139,400)
Balance, April 30, 2018	28,500,100	\$ 322,600	\$ (393,486)	\$ (70,886)

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

HARRYS INTERNATIONAL MANUFACTURING INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Nine months ended April 30, 2018	Nine months ended April 30, 2017
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss	\$ (139,400)	\$ (146,777)
Items not involving cash		
Depreciation	85,121	-
Interest accrued	47,069	-
Changes in non-cash working capital		
Accounts receivable	(459,428)	-
Prepaid expenses	(300,000)	-
Accounts payable	35,706	-
Wages payable	(169,952)	111,004
Employee deductions payable	(65,802)	35,773
Net cash flow used in operating activities	(966,686)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(1,702,425)	-
Net cash flows used in investing activities	(1,702,425)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from shareholders	200	-
Proceed from loans payable	2,400,000	-
Shares Issued	322,500	-
Net cash flows provided by financing activities	2,722,700	-
NET CASH INFLOW	53,589	-
Cash - beginning of period	92	-
Cash - end of period	\$ 53,681	\$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Harrys International Manufacturing Inc. (the "Company") was incorporated on November 29, 2016 under the laws of the British Columbia. The registered office and records of the Company are located at 100 – 595 Burrard Street, Vancouver, BC V7X 1S8.

The Company's primary business is the sale and distribution of tobacco products.

On January 22, 2018, the Company entered into a definitive agreement (the "Share Exchange Agreement") with Westridge Resources Inc. ("Westridge"). Pursuant to the Share Exchange Agreement, Westridge has agreed to acquire all of the issued and outstanding shares of the Company (the "Acquisition"). Pursuant to the terms of the Share Exchange Agreement, Westridge will issue 28,500,100 common shares of Westridge in exchange for each outstanding common share in the capital of the Company. The Acquisition is subject to the approval of the Canadian Stock Exchange ("CSE").

These interim financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company does not yet generate cash flows from operations. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS

Basis of presentation and statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended July 31, 2017. These condensed interim financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company's most recent annual financial statements for the year ended July 31, 2017, which were prepared in accordance with IFRS as issued by IASB.

The financial statements were authorized for issue by the Board of Directors on June 8, 2018.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss. Depreciation for the equipment is 20% using the straight-line method over its estimated useful life.

3. DISTRIBUTION AGREEMENT

On January 2, 2018, the Company executed an agreement (the "Distribution Agreement") for purchasing, manufacturing and reselling tobacco products. In relation to the Distribution Agreement, the Company has prepaid \$300,000 (2017 - \$nil) as a security deposit for supplies required for the manufacturing of the tobacco products until the term of the Distribution Agreement.

HARRYS INTERNATIONAL MANUFACTURING INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
For the Six Months Ended January 31, 2018

4. EQUIPMENT

	Manufacturing Equipment	Total
Cost		
Balance at July 31, 2017	\$ -	\$ -
Additions	1,702,425	1,702,425
Balance at April 30, 2018	\$ 1,702,425	\$ 1,702,425
Accumulated depreciation		
Balance at July 31, 2017	\$ -	\$ -
Depreciation	85,121	85,121
Balance at April 30, 2018	\$ 85,121	\$ 85,121
Net book value		
July 31, 2017	\$ -	\$ -
April 30, 2018	\$ 1,617,304	\$ 1,617,304

5. DUE TO SHAREHOLDER

	April 30, 2018	July 31, 2017
Due to shareholder	\$ 300	\$ 100

The amounts due to shareholder are non-interest bearing, have no set repayment terms and are unsecured.

6. LOANS PAYABLE

On January 4, 2018, Westridge entered into a loan agreement with the Company. Pursuant to the agreement, Westridge will advance up to \$2,500,000. The loan bears interest at 5% per annum and matures on the earlier of January 4, 2019 or the termination of the Share Exchange Agreement (Note 1). As at April 30, 2018, Westridge has advanced \$2,400,000. As at April 30, 2018, \$38,107 of interest was accrued.

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Company's directors. The remuneration of directors and key management personnel was as following:

	April 30, 2018	January 31, 2017
Salaries and wages	\$ 324,527	36,694

Wages payable:

As at April 30, 2018, \$27,186 (July 31, 2017 - \$197,138) in wages payable is outstanding in relation to transactions with related parties, which are non-interest bearing, unsecured and due on demand.

HARRYS INTERNATIONAL MANUFACTURING INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
For the Six Months Ended January 31, 2018

8. SHARE CAPITAL

Authorized:

Unlimited	Class A Common shares
Unlimited	Class B Common shares
Unlimited	Class A Preferred shares
Unlimited	Class B Preferred shares
Unlimited	Class C Preferred shares

Issued:

During the period ended April 30, 2017, the Company issued 100 Class A common shares for gross proceeds of \$100.

9. EMPLOYEE DEDUCTIONS PAYABLE

In relation to the salaries and wages incurred, \$nil (July 31, 2017 - \$56,840) is due to the Canadian government for remittance of employee deductions, late remittance interest and employer portion of the contributions.

HARRYS INTERNATIONAL MANUFACTURING INC.
FINANCIAL STATEMENTS
JULY 31, 2017
(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Harrys International Manufacturing Inc.

We have audited the accompanying financial statements of Harrys International Manufacturing Inc., which comprise the statement of financial position as at July 31, 2017, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the period from November 29, 2016 (inception) to July 31, 2017, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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, the financial statements present fairly, in all material respects, the financial position of Harrys International Manufacturing Inc. as at July 31, 2017, and its financial performance and its cash flows for the period from November 29, 2016 (inception) to July 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Harrys International Manufacturing Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
April 17, 2018

HARRYS INTERNATIONAL MANUFACTURING INC.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

July 31, 2017

ASSETS

Current

Cash	\$	92
Total Assets	\$	92

LIABILITIES AND SHAREHOLDERS' EQUITY

Wages payable (Note 5)	\$	197,138
Employee deductions payable (Note 6)		56,840
Due to shareholder (Note 4)		100
Total Liabilities		254,078

Shareholders' Equity

Share Capital (Note 3)		100
Deficit		(254,086)
Total Shareholders' Equity		(253,986)
Total Liabilities and Shareholders' Equity	\$	92

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

Approved and authorized for issue by the Board of Directors on April 17, 2018.

"Kevin Kohanik"

Director

"Harinder Dhesi"

Director

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

HARRYS INTERNATIONAL MANUFACTURING INC.
STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	From November 29, 2016 (inception) to July 31, 2017	
Operating Expenses		
Interest and Bank charges	\$	108
Salaries and wages (Note 5)		253,978
Comprehensive loss	\$	(254,086)
Basic and diluted loss per share		(2,541)
Weighted average shares outstanding		100

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

HARRYS INTERNATIONAL MANUFACTURING INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Deficit	Total Equity
Balance, November 29, 2016 (inception)	-	\$ -	\$ -	\$ -
Shares issued for cash (Note 3)	100	100	-	100
Net loss	-	-	(254,086)	(254,086)
Balance, July 31, 2017	100	\$ 100	\$ (254,086)	\$ (253,986)

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

HARRYS INTERNATIONAL MANUFACTURING INC.
STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	From November 29, 2016 (inception) to July 31, 2017
CASH FLOWS USED IN OPERATING ACTIVITIES	
Net loss	\$ (254,086)
Changes in working capital items	
Wages payable	197,138
Employee deductions payable	56,840
Net cash flow used in operating activities	(108)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advances from shareholders	100
Shares Issued	100
Net cash flows provided by financing activities	200
NET CASH INFLOW	92
Cash - beginning of period	-
Cash - end of period	\$ 92

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Harrys International Manufacturing Inc. (the “Company”) was incorporated on November 29, 2016, under the laws of the British Columbia. The registered office and records of the Company are located at 100 – 595 Burrard Street, Vancouver, BC V7X 1S8.

The Company’s primary business is the sale and distribution of tobacco products outside of Canada and the United States.

On January 22, 2018, the Company entered into a definitive agreement (the “Share Exchange Agreement”) with Westridge Resources Inc. (“Westridge”). Pursuant to the Share Exchange Agreement, Westridge has agreed to acquire all of the issued and outstanding shares of the Company (the “Acquisition”). Pursuant to the terms of the Share Exchange Agreement, Westridge will issue 28,500,100 common shares of Westridge in exchange for each outstanding common share in the capital of the Company. Completion of the Acquisition resulted in a fundamental change under the policies of the CSE. The Acquisition is subject to the approval of the CSE.

In addition, as a condition precedent to the closing of the Share Exchange Agreement, Westridge is to advance the Company an aggregate amount of \$2,400,000 pursuant to the loan agreement described in Note 10.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company does not yet generate cash flows from operations. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS

Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Issues Committee (“IFRIC”). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Income taxes (continued)

Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign currency translation

The Company's functional currency is Canadian dollars. The Company is not exposed to significant currency risk at this time.

Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method ("EIR"), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of loss and comprehensive loss. The losses arising from impairment are recognized in the statement of loss and comprehensive loss. The Company has classified cash as loans and receivables.

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any Level 1, 2 or 3 fair value measurements.

Critical accounting estimates and significant management judgments

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized when it is determined that the Company is likely to recognize their recovery from the generation of taxable income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Other significant judgments

The preparation of these financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the fair value and classification of financial instruments.

Changes in accounting standards

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

3. SHARE CAPITAL

Authorized:

Unlimited	Class A Common shares
Unlimited	Class B Common shares
Unlimited	Class A Preferred shares
Unlimited	Class B Preferred shares
Unlimited	Class C Preferred shares

Issued:

During the period ended July 31, 2017, the Company issued 100 Class A common shares for gross proceeds of \$100.

4. DUE TO SHAREHOLDER

	July 31, 2017
Due to shareholder	\$ 100

The amounts due to shareholders are non-interest bearing, have no set repayment terms and are unsecured.

5. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Company's directors. The remuneration of directors and key management personnel from November 29, 2016 (inception) to July 31, 2017 was as following:

	July 31, 2017
Salaries and wages	\$ 253,978

Wages payable:

As at July 31, 2017, \$197,138, wages payable is outstanding in relation to transactions with related parties, which are non-interest bearing, unsecured and due on demand.

6. EMPLOYEE DEDUCTIONS PAYABLE

In relation to the salaries and wages incurred during the year, \$56,840 is due to the Canadian government for remittance of employee deductions and employer portion of the contributions.

7. INCOME TAX

The Company has non-capital losses from the current reporting period of approximately \$254,000 which were not recognized as a deferred tax asset and accordingly, the income tax recovery resulting from net loss is \$Nil.

8. FINANCIAL INSTRUMENTS

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. All of its cash is held a major Candian financial institution. The credit risk associated with cash is minimized by ensuring that substantially all dollar amounts are held with a major financial institution with strong investment-grade ratings by a primary ratings agency.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at July 31, 2017, the Company incurs expenses in Canadian dollars.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

The Company's source of funding is the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

9. CAPITAL MANAGEMENT

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change from inception to July 31, 2017.

10. SUBSEQUENT EVENTS

On December 6, 2017, the Company issued 16,500,000 Class A common shares at \$0.005 for gross proceeds of \$82,500.

On December 12, 2017, the Company issued 12,000,000 Class A common shares at \$0.02 for gross proceeds of \$240,000.

On January 4, 2018, Westridge entered into a loan agreement with the Company. Pursuant to the agreement, Westridge will advance up to \$2,500,000. The loan bears interest at 5% per annum and matures on the earlier of January 4, 2019 or the termination of the Share Exchange Agreement (Note 1). As at January 31, 2018, Westridge has advanced \$2,400,000.