LKP Solutions Inc.

Consolidated Financial Statements

April 30, 2018 and 2017

LKP Solutions Inc.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of LKP Solutions Inc.:

We have audited the accompanying consolidated financial statements of LKP Solutions Inc. which comprise the consolidated statements of financial position as at April 30, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, 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 as issued by the International Accounting Standards Board, 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 audits. We conducted our audits in accordance with Canadian 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 audit 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 consolidated financial statements present fairly, in all material respects, the financial position of LKP Solutions Inc. as at April 30, 2018 and 2017, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 to the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt about LKP Solutions Inc.'s ability to continue as a going concern.

Buckley Dodds LLP

Vancouver, British Columbia
August 27, 2018

Buckley Dodds LLP
Chartered Professional Accountants

LKP Solutions Inc.
Consolidated Statements of Financial Position
As At
(Expressed in Canadian Dollars)

	Notes		April 30 2018		April 30 2017
Assets					
Current assets:					
Cash		**$**	**269**	$	15,905
Accounts receivable			**8,717**		3,566
Total assets		**$**	**8,986**	$	19,471
Liabilities and shareholders' deficiency					
Current liabilities:					
Accounts payable and accrued liabilities	7	**$**	**21,723**	$	170,175
Due to related parties	11		**299,391**		66,325
Total liabilities			**321,114**		236,500
Shareholders' deficiency					
Share capital	8		**3,276,003**		3,276,003
Subscriptions received in advance			**45,015**		
Contributed surplus			**31,245**		31,245
Accumulated deficit			**(3,664,391)**		(3,524,277)
Total shareholders' deficiency			**(312,128)**		(217,029
Total liabilities and shareholders' deficiency		**$**	**8,986**	$	19,471
Nature of Operations and Going Concern	1				
Subsequent events	14				

Approved by the Board of Directors:

"Robin Dow"
Director

"Patricia Purdy"
Director

The notes to the audited financial statements are an integral part of these consolidated financial statements.

LKP Solutions Inc.

Consolidated Statement of Loss and Comprehensive Loss
For the years ended
(Expressed in Canadian Dollars)

	Notes		Year ended April 30, 2018		Year ended April 30, 2017
Expenses					
Accounting and audit		**$**	**40,714**	$	9,036
Interest and bank charges			**9,037**		11,367
Legal fees			**57,165**		20,629
Management fees	10		**44,087**		8,950
Meals and entertainment			**3,623**		2,787
Office and general	10		**12,389**		12,021
Rent			**13,612**		6,800
Transfer agent, filing fees, and AGM fees			**13,119**		48,850
Travel and promotion			**22,717**		16,507
			(216,463)		(136,947)
Acquisition expense	4		**-**		(1,358,458)
Loan Impairment	5		**-**		(15,000)-
Other income	7, 9		**76,349**		3,657
			76,349		(1,369,801)
Net and comprehensive loss for the year		**$**	**(140,114)**	$	(1,506,748)
Loss per share					
Loss per common share: Basic and diluted		**$**	**(0.009)**	**$**	**(0.679)**
Weighted average number of common shares outstanding: Basic and diluted			**16,407,054**		**2,218,632**

The notes to the audited financial statements are an integral part of these consolidated financial statements.

LKP Solutions Inc.

Consolidated Statement of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Number of common shares outstanding	Share Capital	Subscriptions received in Advance	Reserves	Deficit	Total
Balance as at April 30, 2016	**727,674**	**$ 1,551,571**	**$ -**	**$ 31,245**	**$ (2,017,529)**	**$ (434,713)**
Shares issued for cash	2,820,954	301,965	-	-	-	301,965
Shares issued for debt	535,192	190,144	-	-	-	190,144
Shares issued for reorganization	12,323,234	1,232,323	-	-	-	1,232,323
Loss for the year	-	-	-	-	(1,506,748)	(1,506,748)
Balance as at April 30, 2017	**16,407,054**	**3,276,003**	**-**	**31,245**	**(3,524,277)**	**(217,029)**
Share subscriptions received	-	-	45,015	-	-	45,015
Loss for the year	-	-	-	-	(140,114)	(140,114)
Balance as at April 30, 2018	**16,407,054**	**$ 3,276,003**	**$ 45,015**	**$ 31,245**	**$ (3,664,391)**	**$ (312,128)**

The notes to the audited financial statements are an integral part of these consolidated financial statements.

LKP Solutions Inc.
Consolidated Statements of Cash Flows
For the years ended
(Expressed in Canadian Dollars)

		Year ended April 30, 2018		Year ended April 30, 2017
Cash flows from operating activities				
Net loss for the year	$	(140,114)	$	(1,506,748)
Adjustments to reconcile loss to net cash used in operating activities:				
Accretion expense		-		11,183
Loan impairment		-		15,000
Acquisition expense		-		1,358,458
Gain on settlement of debt included in other income		(76,349)		
Change in non-cash working capital balances:				
Accounts receivable		(9,972)		4,655
Accounts payable and accrued liabilities		(106,435)		(506)
Cash used in operating activities		(332,870)		(117,958)
Cash flows from investing activities				
Cash received from acquisition		-		14,588
Cash provided by investing activities		-		14,588
Cash flows from financing activities				
Share subscriptions received in advance		45,015		-
Shares issued for cash		-		77,998
Due to related parties		272,219		(18,000)
Cash provided by financing activities		317,234		59,998
Change in cash during the year		(15,636)		(43,372
Cash - beginning of year		15,905		59,277
Cash - end of year	$	269	$	15,905
Cash (paid) received for				
Interest	$	-	$	-
Taxes	$	-	$	-

There were no non-cash transactions affecting cash flows from investing and financing activities during the years ended April 30, 2018 and 2017.

The notes to the audited financial statements are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

LKP Solutions Inc. (the "Company" or "LKP") was incorporated under the name Red Ore Gold Inc. under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011.

The Company is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of precious and base metals with mineral properties. At the date of these consolidated financial statements, the Company has two dormant mineral properties and is currently exploring other opportunities.

On November 15, 2016, the shareholders of the Company approved a Common Share Exchange between LKP, on a consolidated basis, and a combination of Pueblo Potash Inc. ("PLK") and Agr-O Phosphate Inc, ("AOP") Each PLK shareholder was to receive one new LKP share for each four (4) PLK shares, and each AOP shareholder was to receive one new LKP share for each two (2) AOP shares). Due to the difficult market for mining stocks, this combination was not effected until April 27th, 2017.

On August 25, 2017, the Company announced that a Letter of Intent has been entered into as at August 15, 2017, with Osoyoos Cannabis Inc. ("OSO") The Letter of Intent contemplates a share exchange (the "Exchange") of one OSO common share for each 2.5 LKP shares. As at April 30, 2018, the Exchange has not yet completed.

As at April 30, 2018, the Company's shares were not listed on any exchange. The office of the Company is located at #408 – 150 – 24th Street, West Vancouver, British Columbia, V7V 4G8.

These consolidated financial statements are prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At April 30, 2018 the Company had cash of $269 (2017 - $15,905), a working capital deficiency of $312,128 (April 30, 2017 - $217,029) and an accumulated deficit of $3,664,391 (April 30, 2017 - $3,524,277).

The Company's solvency, ability to meet its liabilities as they become due and to continue its operations, is currently essentially dependent on funding provided by one investor. If the investor is unwilling to provide ongoing funding to the Company and/or if the Company is unable to raise additional capital in the immediate future, the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. This material uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 12. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information. These consolidated financial statements are presented in Canadian dollars, which is the functional currency of both the Company and its subsidiary.

Statement of compliance

The consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Consolidated Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

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

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

2. BASIS OF PREPARATION (continued)

Critical accounting estimates and judgments (continued)

Key Sources of Estimation Uncertainty (continued)

Significant estimates made by management affecting the consolidated financial statements include:

1) Title to mineral property interests

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

2) Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Approval of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on August 27, 2018.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its 100% subsidiary Pueblo Lithium Inc., which is a combination of Pueblo Potash Inc. and Agr-O Phosphate Inc. All inter-company transactions have been eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Foreign currency translation

The functional currency of the Company and its subsidiaries is the Canadian dollar. The reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currency are translated into Canadian dollars at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Any gains or losses resulting from translation have been included in the statement of operations and comprehensive loss.

Cash

Cash in the statements of financial position comprise cash held at banks and bank overdraft. The Company's cash is invested with major financial institutions in business accounts. The Company does not invest in any asset-backed deposits/investments.

Exploration and evaluation expenditures

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral reserves and resources and includes costs such as exploratory drilling and sample testing and the costs of pre-feasibility studies. Exploration and evaluation expenditures for each area of interest are expensed in the year in which they are incurred.

Purchased exploration and evaluation assets are expensed at their cost of acquisition or at fair value if purchased as part of a business combination.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Earnings/loss per share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Financial instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss (“FVTPL”), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets “available-for-sale” are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method. The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Payables	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Reclassification

Certain comparative figures have been reclassified to conform with the current year's financial statements presentation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, amendments and interpretations not yet effective

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended April 30, 2018:

IFRS 9, Financial Instruments

IFRS 9, Financial Instruments replaces IAS 39 – Financial Instruments: Recognition and Measurement. This standard presents two measurement categories: amortized cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flows’ characteristics of the financial asset. Furthermore, the standard introduces a single forward-looking expected credit loss impairment model.

The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this new standard on its financial statements.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 - Revenue, IAS 11 - Construction contracts and other revenue related interpretations. IFRS 15 provides for a single five-step model that applies to contracts with customers. The proposed framework establishes principles for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.

The new standard is effective for annual periods beginning on January 1, 2018. The Company is currently assessing the impact of this new standard on its financial statements.

IFRS 16, Leases

IFRS 16 - Leases replaces IAS 17 Leases, and related interpretations.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer/lessee and the supplier/lessor. More specifically, IFRS 16 is requiring assessing whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time. In such cases, leases are capitalized as “right-of-use assets” or as “property, plant and equipment”. Therefore, the new requirement eliminates the classification of leases as either operating leases or finance leases for a lessee.

The new standard is effective for annual periods beginning on January 1, 2019. The Company is currently assessing the impact of this new standard on its financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

(Expressed in Canadian Dollars)

4. BUSINESS ACQUSITION

On April 27, 2017, the Company completed the acquisition (100%) of Pueblo Lithium Inc. The acquisition price was $1,232,324. The purchase price is supported by value of Company shares being issued at the time. The acquisition was financed by the issuance of 12,323,324 common shares of the Company.

The total purchase price of $1,232,324 was allocated to the fair value of the net assets of Pueblo Lithium Inc. as follows:

Cash	$	14,588
Receivables		4,939
Accounts payable and accrued liabilities		(94,516)
Shareholder loans		(51,145)
Acquisition expense		1,358,458
Purchase price – fair value	$	1,232,324

The following table summarizes Pueblo Lithium Inc. revenue, expenses and net income.

		For the year ended April 31, 2017
Revenue	$	-
Expenses		(12,430)
Net loss	$	(12,430)

5. LOAN RECEIVABLE

During the year ended April 30, 2016, the Company advanced $15,000 to VFP Therapies SAS (“VFP”) (a French non related private company) The Company was negotiating to acquire 100% of VFP through a proposed share exchange agreement. On November 17, 2016, the Company announced cancellation and termination of all agreements with VFP. During the year ended April 30, 2017, the Company impaired this loan receivable to $Nil, as collection was considered doubtful.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALAUTION ASSETS

The Company expenses all exploration costs on an annual basis. The properties are carried forward at a $Nil asset valuation.

As at April 30, 2018, the Company has title to the following exploration and evaluation assets:

- Through its subsidiary, PLK, the Company has a 100% interest in interest in two mineral exploration properties in Baja California, Mexico. As at April 30, 2018, this project remains dormant.
- Through its subsidiary, PLK, the Company has a 90% interest in a phosphate deposit in the Murdock Mountain area. A 10% participating interest in this project is owed by a non-related private company. As at April 30, 2018, this venture remains dormant. Subsequent to the year ended April 30, 2018, PLK sold its interest in this deposit for consideration of $1.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

		April 30, 2018		April 30, 2017
Accounts payable	**$**	**683**	$	110,602
Accrued liabilities		**21,040**		59,573
Total	**$**	**21,723**	$	170,175

During the year ended April 30, 2018, the Company recognized a gain of $42,017 on the removal of certain accounts payable and accrued liabilities which the Company feels are no longer outstanding. This gain was offset by the write down of $4,821 of accounts receivable which the Company feels are not collectible.

8. CONVERTIBLE DEBENTURE

During the year ended April 30, 2017, a convertible debenture owing to Rosehearty Energy Inc. ("Rosehearty") (formerly Galahad Metals Inc.), a company related to the Company by common directors, was settled. The convertible debenture was unsecured and had a principal value of $186,419. The debenture bore interest at the rate of 10% per annum, and had a maturity date of May 30, 2017 (the "Maturity Date"). The debenture was convertible into common shares at Rosehearty's option at a conversion price equal to $0.50 per share.

The fair value of the conversion feature was determined at the time of issuance as the difference between the principal value of the convertible debenture and the present value of contractually determined stream of future cash flows discounted at the rate of interest of 15% based on the estimated rate for debt with comparable terms, but without the conversion option.

(Expressed in Canadian Dollars)

8. CONVERTIBLE DEBENTURE (continued)

The liability component of the convertible debenture was valued at $155,174 using an implicit rate of 15%. The difference between the principal value of the debt and the fair value of the liability component of $31,245 was recorded as equity upon initial recognition.

During the year ended April 30, 2017, Rosehearty elected to convert the debenture into shares of the Company. As a result, 12,428 common shares were issued to settle the debenture, with an additional 41,660 shares issued to settle accrued interest on the debenture of $31,245. (Note 9).

9. RELATED PARTY TRANSACTIONS

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company considers Rosehearty.to be a related company due to common directors and management.

Transactions with key management personnel

Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the Corporate Secretary. Key management remuneration includes the following:

		April 30, 2018		April 30, 2017
Management fees to the CEO	**$**	**15,487**	$	-
Management fees to the Corporate Secretary		**28,600**		13,192
	$	**44,087**	$	13,192

Related party transactions:

- During the year ended April 30, 2018, the Company accrued $13,000 (2017 - $6,800) in rent to the CEO.
- During the year ended April 30, 2018, the Company incurred a gain on the write-off of a related party amount of $39,153 owing to the CEO, included in other income.
- During the year ended April 30, 2017, the Company settled an amount owing to the former CEO of $81,145 by issuing shares.
- During the year ended April 30, 2017, the Company settled a convertible debenture and accrued interest to Rosehearty by issuing shares. During the year ended April 30, 2017, accretion expense of $5,271 was recorded on this convertible debenture. (Note 8)

9. RELATED PARTY TRANSACTIONS (continued)

Balances with related parties:

- As at April 30, 2018, the Company has a balance of $299,391 owing to OSO (2017 - $Nil). This loan is non-interest bearing, unsecured, and has no terms of repayment. As at April 30, 2017, $66,325 was owing to related parties, with no interest and no fixed terms of repayment.
- Included in accounts payable and accrued liabilities is $142 (2017 - $41,165) owing to the CEO of the Company, and $Nil (2017 - $18,750) owing to the CFO of the Company.

10. SHARE CAPITAL AND RESERVES

a) Common shares

The Company is authorized to issue an unlimited number of common shares with no par value.

At April 30, 2018, the Company has 16,407,054 (April 30, 2017 – 16,407,054) common shares issued and outstanding.

b) Preferred shares

The Company is authorized to issue an unlimited number of preferred shares with the rights, privileges and restrictions determined by the Board of Directors at the time of issuance.

As at April 30, 2018 and 2017, the Company has no preferred shares outstanding.

c) Share Consolidation and Share issuances

During the year ended April 30, 2018:

- The Company received share subscriptions for 450,150 units at $0.10 per unit, for total proceeds of $45,015. Each unit consists of one common share and one share purchase warrant exercisable at $0.20 for 24 months from the date of issue.

During the year ended April 30, 2017:

- On November 17, 2016 the Company announced that the common shares of the Company had been consolidated on a 30:1 basis (30 old for 1 new). All per share amounts have been re-stated to reflect this share consolidation.

- On July 21, 2016 the Company issued 12,428 shares upon the conversion of a debenture in the face amount of $186,419.

- On July 21, 2016 the Company issued 197,764 shares in settlement of $156,441 in accounts payable and accrued interest.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (continued)

c) Share Consolidation and Share issuances (continued)

During the year ended April 30, 2017: (continued)

- On July 31, 2016 the Company issued 201,000 units at $0.75 per unit for cash of $150,750. Each unit consisted of one common share and one share purchase warrant to acquire one common share for $0.99 for 24 months from date of issue.
- On January 12, 2017, the Company issued 325,000 common shares as settlement in full of an outstanding debt, pursuant to a Debt Settlement Agreement entered into by the parties.
- On January 18, 2017, the Company issued 2,056,250 common shares for $0.001 per share for cash of $2,056. The issue was considered as equalization shares relating to private placements and debt settlements which were completed on May 10, 2016 and July 21, 2016, at $0.75 per share.
- On April 24, 2017, the Company issued 565,000 common shares for $0.10 per share for cash of $56,600.
- On April 27, 2017, the Company issued 4,556,000 common shares to the holders of PLK and 7,634,733 to shareholders of AOP. The Company issued replacement warrants to warrant holders in PLK and AOP as follows: 892,500 warrants with an exercise price of $0.10 until October 1, 2018, 201,000 warrants with an exercise price of $0.20 until July 21, 2018, and 565,000 warrants with an exercise price of $0.20 until October 1, 2018. (Note 4).

d) Warrants

As at April 30, 2018 and 2017, the Company had a total of 1,658,500 common share warrants issued and outstanding. The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, April 30, 2016	-	$ -
Issued	1,658,500	$0.15
Outstanding, April 30, 2017 and 2018	1,658,500	$0.15

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (continued)

d) Warrants (continued)

The following warrants are outstanding at April 30, 2018:

Number of Warrants	Exercise Price	Remaining Life (Years)	Expiry Date
201,000	$0.20	0.72	July 21, 2018 (1)
892,500	$0.10	0.92	October 1, 2018 (2)
565,000	$0.20	1.17	December 31, 2018 (3)
1,658,500	$0.15	0.98	

(1) Subsequent to year end, the expiry date of these options was extended to July 21, 2020

(2) Subsequent to year end, the expiry date of these options was extended to October 1, 2020

(3) Subsequent to year end, the expiry date of these options was extended to December 31, 2020

e) Stock options

Under the terms of the Company's stock option plan all options are granted with an exercise price equal to the closing market price on the day immediately preceding the date of grant. The term of options is determined by the Board of Directors with a maximum term of 10 years. Options issued to consultants who perform investor relations activities will be subject to a vesting schedule whereby no more than 25% of the options granted may vest in any three month period. The maximum number of options authorized for issue shall be 10% of the outstanding shares in issue at the date of the option grant.

At April 30, 2018 and 2017, there are no stock options outstanding.

During the years ended April 30, 2018 and 2017, there were no stock options granted.

(Expressed in Canadian Dollars)

11. INCOME TAXES

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery

		Year ended April 30, 2018		Year ended April 30, 2017
Loss before income taxes	$	**(140,114)**	$	(1,506,748)
Statutory rate		**26.00%**		26.0%
Expected recovery of income tax	**$**	**(36,430)**	$	(391,754)
Non-deductible amounts		**471**		353,469
Effect of change in prior year provisions to actual		**-**		25,572
Change in unrecognized deductible temporary differences		**35,959**		12,713
Total income tax recovery	$	**-**	$	-

The following is a summary of the Company's deferred tax assets:

		As at April 30, 2018		As at April 30, 2017
Loss carry forwards	**$**	**418,393**	$	382,434
Unrecognized deferred tax asset		**(418,393)**		(382,434)
Net deferred tax asset	**$**	**-**	$	-

As at April 30, 2018, the Company has estimated non-capital losses for Canadian income tax purposes of $1,609,205 that may be carried forward to reduce taxable income derived in future years. These losses expire from 2032 to 2038....

Tax attributes are subject to review and potential adjustment by tax authorities

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable, share subscriptions received in advance, and due to related parties. The fair value of the Company's accounts payable, share subscriptions received in advance, and due to related parties approximate their carrying values, due to their short-term natures. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company is subject to credit risk on its cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has no investments in asset-backed commercial paper. The Company does not believe it is exposed to significant credit risk

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring forecasted cash inflows and outflows due in day to day business. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods.

Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

As at April 30, 2018, the Company had cash of $272 and current liabilities of $328,872.

The Company considers expected cash flow from financial assets in managing liquidity risk. The Company's existing cash resources currently do not meet the current cash outflow requirements. As a result, the Company is at a risk of not being a going concern if management is unable to raise the appropriate funds prior to the maturity of the financial liabilities. Appropriate going concern disclosures have been made in Note 1.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company currently does not have any outstanding interest bearing assets or liabilities. As a result, the Company does not have any exposure to fluctuations in the interest rate, and is not exposed to significant interest rate risk.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market Risk (continued)

b) Price risk

The Company is exposed to price risk with respect to equity prices. The Company closely monitors its equity prices to determine the appropriate course of action to be taken by the Company.

c) Foreign currency risk

The Company is not exposed to significant foreign exchange risk as all its operations are now Canada.

13. CAPITAL MANAGEMENT

The Company's capital structure has been defined by management as being comprised of shareholders' deficiency. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and general corporate costs. This is achieved by the Board of Directors review and acceptance of budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Company monitors its capital structure using annual forecasted cash flows and targets for the year as well as corporate capitalization schedules.

The Company currently has no source of revenues; as such the Company is dependent upon external financing to fund its activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities. To manage the capital structure the Company may adjust operating expenditure plans, or issue new common shares and warrants.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants. The Company's approach to capital management has not changed over the last year.

14. SUBSEQUENT EVENTS

On July 11 2018, the Company announced that it entered into a Business Combination Agreement ("BCA") with OSO Cannabis Inc. ("OSO"), whereby the Company would acquire all of the issued and outstanding shares of OSO, including (i) a share consolidation in the Company of 1 new share for every 2.5 shares of the Company outstanding immediately prior to the transaction, and (2) exchange of one new Company common share for each OSO share. This proposed transaction would be considered to be a Reverse Takeover under IFRS and securities regulations. This proposed transaction is subject to shareholder and regulatory approval.